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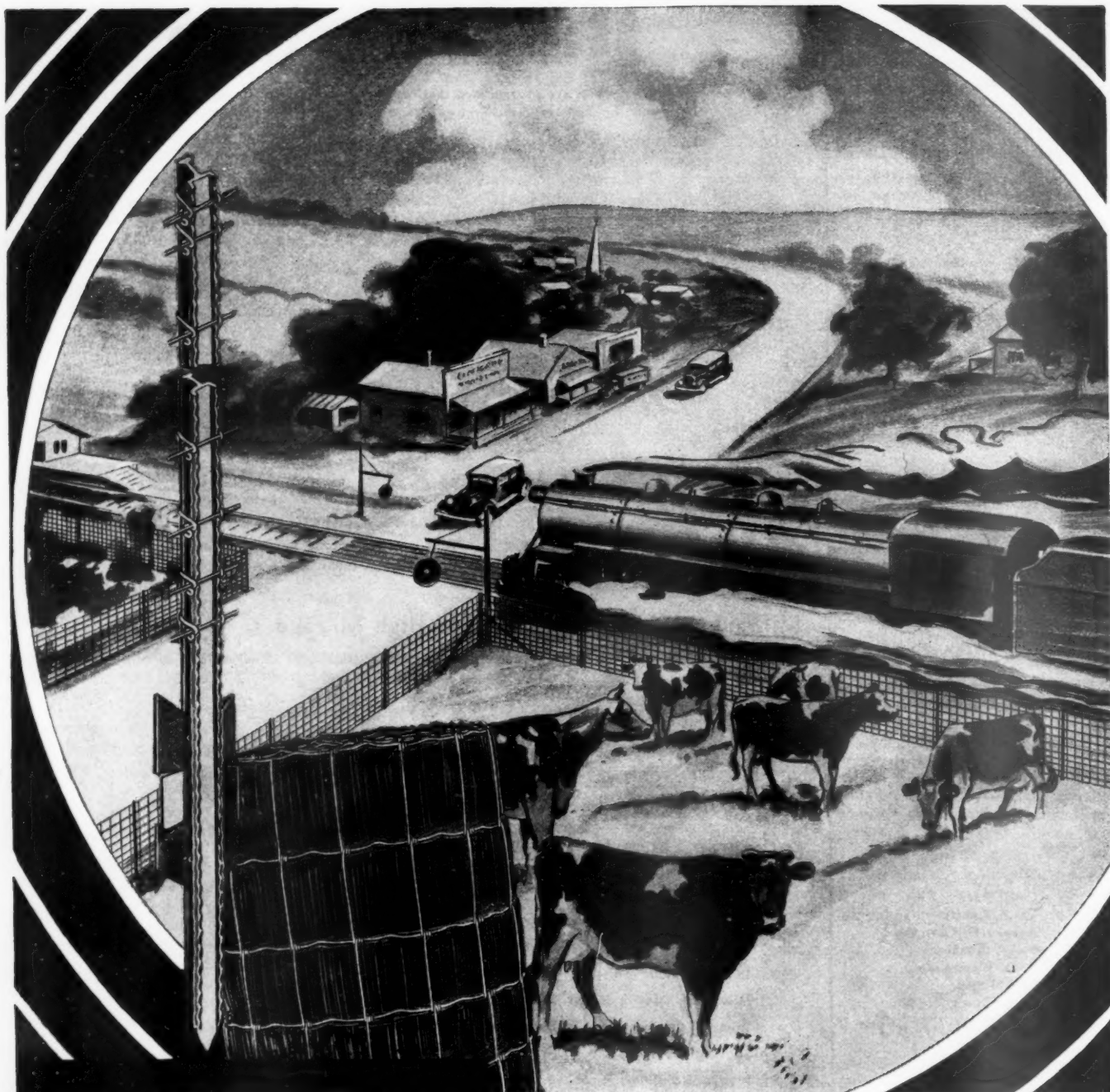
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The "Profit Economy" Under Fire

Every form of business and every business man, large and small, in the United States is under fire, at the present time. All who engage in business, from the owners of the largest transportation and manufacturing companies, to the owners of the smallest country stores, do so to make profits. The entire capitalistic system is founded upon and propelled by the desire and opportunity to make profits.

The elimination of the profit opportunity and, therefore, of the profit motive, is being openly advocated by many persons who now have influence in Washington, although there seems to be inconsistency in the anti-profit propaganda of some of them. It is obviously the profit motive that causes a farmer to buy and operate a farm, and Secretary of Agriculture Wallace apparently is working to enable the farmers to make profits. Nevertheless, he said in a recent speech in Chicago before the American Farm Bureau Federation that profits must be reduced. Doubtless he meant profits in business. George N. Peek, who lost his place in the Department of Agriculture because he disagreed with certain brain trusters in their opposition to profits, said in an address before the same body, "I am in favor of the profit system, but I am in favor of starting with the farmer." He evidently considered it necessary to differentiate his views from those who favor abolition of the "profit economy."

Where Does Business Come In?

A significant statement was made by Edward A. O'Neill, president of the American Farm Bureau Federation, in his annual address. "The AAA," he said, "seeks to raise agriculture's purchasing power; the NRA seeks to raise labor's buying power; both must be increased if prosperity is to be restored." The significance of this statement is the absence from it of any reference to what is being, or is to be, done for the country's millions of business men, large and small. For months we have been carefully reading statements emanating from the planners and advocates of the "planned economy." Not once have we found in them any expression indicating that the planned economy is intended for the benefit of business men, as well as farmers and wage earners. There have, however, emanated from them many denunciations of business men upon the ground that their mismanagement of

business, in their desire to make profits, has been principally responsible for the depression.

It is quite true that the denunciations have been leveled at leaders of "big business," but it is also true that many of the recovery policies, as they are being carried out, are more inimical to small than to big business. In most cases the hours of work and minimum wages fixed have been more burdensome to small than to big business, especially business in small cities and towns. Furthermore, labor organizations are seeking in many cases to get applied the same wages and working conditions in small cities and towns as in large cities, the purpose being to drive business and employment back into large cities and large plants where the labor unions can dictate more effectively than in small cities and towns.

Abuses and Follies in Business and Elsewhere

What appear to be good reasons can be given for thus putting all business "on the spot" for the apparent benefit of farmers, and especially of wage earners. Probably never in history were so many abuses and follies committed in business as during the seven years ending with 1929. Never, perhaps, was business such a dog fight, involving competitive abuses and the misuse by men in fiduciary positions of other people's money for their own profit. But the abuses and follies of that period were not confined to business. Many of the farmers who are now complaining of their indebtedness incurred it for the purpose of making profits by the use of other people's money. The officers of one of the most important railway labor organizations, in an effort to show they were business men, wasted its assets by making huge investments in Florida. A large part of the entire population rushed blindly into the stock market and caused the boom, collapse and enormous losses, for their share of which they now blame business leaders.

It remains a fact, nevertheless, that the entire business of the country is now on the defensive, and that if it is to save itself by preventing the carrying out of policies that would destroy the opportunity to make profits, and thereby the incentive to initiative and enterprise that the opportunity to make profits alone can supply, business must unite in support of, and successfully advocate, policies that will eliminate major abuses

from business and that will also afford untrammelled opportunity to make profits by legitimate means.

Inconsistency of Business Regarding Transportation

Unfortunately, as those familiar with transportation conditions and problems know only too well, there is an inconsistency between the economic and business principles and practices ostensibly favored by many business men, and the principles and practices that they are impelled by their narrow and shortsighted selfishness actually to favor, that places business at a great disadvantage in defending itself from such socialistic attacks as are always being made upon it, and as are being made with unprecedented force now. The great American vice is the vice of hypocrisy, and it never has been better illustrated than by the difference between the attitudes of many business men toward government interference in transportation and government interference in their own business. The railroads are in their present condition principally because of the support by business men and professed spokesmen of private initiative and enterprise of policies that have directly tended, and still directly tend, to establish a precedent of socialism in the field of transportation which can be, and is, used as an argument for it in other fields. The Chicago Tribune is now carrying on a campaign for freedom of initiative and enterprise in business with which, in the main, we are in sympathy. When, however, it tries, in the interest of the competitors of the railways, to cast the railways in the role of an advocate of government restriction of freedom, initiative and enterprise, it becomes pertinent to ask just when and why the Chicago Tribune became such an ardent opponent of regulation of transportation.

The Tribune on December 16 published an editorial entitled "Shortsighted Railroad Policy." Ever since the railroads began to oppose subsidization and advocate regulation of their competitors the Tribune has been vehemently criticising the unprogressiveness and shortsightedness of railroad management. In the editorial referred to it quoted a question raised by the Bureau of Railway Economics as to whether motor transport should be left unregulated, with resultant chaos in transportation, or all transport should be subjected to fair and reasonable regulation. "This, of course," said the Tribune, "is just more railway propaganda. . . . It would seem that the carriers are being slow to realize that such a scheme is out of tune with experience. . . . When carriage by rail was enjoying a practical monopoly of transportation the railroads, working hand in glove with regulatory bodies, managed to put the freight rate structure of the country in a straight-jacket."

Who Put Railroads in a "Straight-Jacket"?

If the writer of the editorial quoted knows the past editorial policy of his paper, he knows it is not true that "the railroads, working hand in glove with regulatory bodies, managed to put the freight rate structure of the country in a strait-jacket," while the Trib-

une, with its great influence, has helped to do so because it has been one of the most vigorous and effective advocates of the government policies which have put railroad management as well as freight rates in a straight-jacket, with the result of creating many of the railroad conditions and practices of which the Tribune is now the harshest critic.

Did not the Tribune advocate the Elkins Act of 1903 to stop the very kind of unfair discriminations in rates and rebating by the railways that now prevail universally in the trucking business? Did it not advocate the Hepburn Act of 1906 to put more teeth into the law against rebating, to empower the Interstate Commerce Commission to fix maximum rates and to prescribe a uniform system of railroad accounting? Did it not advocate the Mann-Elkins Act of 1910 to give the commission power to suspend advances in rates proposed by the railways which has done more to put freight rates in a straight-jacket than any other legislation? Did it not advocate La Follette's plan for a valuation of railroads which was enacted into law in 1913 to reduce railroad profits and put them in a straight-jacket? While opposing government expenditures on Boulder Dam and on the Tennessee Valley project has not the Tribune constantly advocated large and more wasteful expenditures upon the Lakes-to-the-Gulf waterway to subsidize water competition with the railways in order that shippers in the Mississippi Valley, and especially at Chicago, may be able to get their freight handled principally at the expense of the taxpayers of the United States? Have these editorial policies been in accordance with the principle of restricting government interference with business, upon which the Tribune now bases its opposition to regulation of trucks?

The Trucks and "Chaos in Transportation"

"The specter of transportation chaos as conjured up by the railways is scaring nobody," says the Tribune. Is the Tribune as sure now that it is adequately-informed regarding transportation problems and the government action needed to solve them as it was in past years when it was advocating government policies that it now condemns and for the results of which it now cudgels railway managements as well as the government? "I have been in business here forty years," says A. M. Klein, vice president, Consolidated Produce Co., Ltd., Los Angeles, Cal., "and I have never seen conditions so upset in forty years as they have been in the last two or three years on account of truck transportation." "Every large produce market in the country is passing through periods of demoralizing prices, due to unregulated motor truck transportation," says the Ohio State Department of Agriculture. "Complete chaos has ruled in the field of truck rates," says Milton R. Stahl, chairman of the Missouri Public Service Commission, who added: "Indiscriminate rate-cutting is the practice. Rebates to large shippers is the usual method of transacting business, and is considered honorable." "Discriminating rates, fares and charges by the motor vehicle operators are just as devastating in their effect as were

such practices by the railroads in the days before the effective administration of the Interstate Commerce Act," says the Committee on Motor Vehicle Transportation of the National Association of Railroad and Utilities Commissioners.

If space permitted we could quote hundreds of similar statements made by business men and regulating authorities as well as railroad men who are in a position to be informed. The avowed present policy of the Tribune is to advocate a reduction of regulation of railways rather than an increase in the regulation of their competitors. This happens to be, also, the avowed policy of the motor vehicle interests. Just why legislation to apply the strictest and most comprehensive regulation to the railways was thought to be desirable in the past, and such regulation of all means of transportation is not considered desirable now we can only surmise. If, however, the motor vehicle interests really want less regulation of railways and free competition in transportation, why have they recently been appealing to the Interstate Commerce Commission for use of its present power to prevent the railways and the Railway Express Agency from making reductions of rates and adopting other practices to meet bus and truck competition? They want free competition, all right—but only by the competitors of the railways.

The Railroads' Program

The railroads have a definite program of federal transportation legislation which will soon be presented to Congress. Its presentation will afford an excellent opportunity for American business to show just how it actually does want government to deal with business. The railways will ask for changes in present legislation which, either by reducing the regulation of themselves or increasing the regulation of their competitors, will require all of them to adopt the same practices in dealing with their customers. Wherein is this unfair and unsound? They will ask the Co-ordinator of Transportation to accept and advocate the principle that commercial highway vehicles should be required to pay "the entire additional cost of constructing and maintaining the highways for their use." Wherein is there anything unfair or unsound in the proposition that persons engaged in any business for private profit should pay all the costs incurred to enable them to carry

on their business, and not rely upon the taxpayers to defray a large part of them?

The railways will advocate the imposition of tolls upon inland waterways "which would approximate the interest upon the government's investment in waterways and the expenses incurred by the government in maintaining them." Again we ask, wherein is there anything unfair or unsound in the proposition that those who engage in business for private profit should not call upon the taxpayers to pay part of their expenses? How can any business man or publication, that ostensibly stands for the principle that government should treat equally all competitors for the same business, think it is in the public interest to apply any other principle in dealing with transportation?

Less Inconsistency in Business Needed

A good deal more honesty and less inconsistency and hypocrisy, and more initiative and courage, seem to be the principal things necessary to enable business to defend itself successfully from the unprecedented attacks now being made upon it. While the transportation problem has been much less discussed recently than some others involving relations between government and business, it is still today one of the most vital problems confronting the American people. At a time when the railroad industry is still in extremely bad financial condition, it is increasing its indebtedness to the government in order to make expenditures the government wants it to make to help revive business. Largely increased employment and purchases by the railways, not only in the near future but for years to come, will be essential to a real revival of business. Government policies of regulation and subsidization which, regardless of their economic justifiability, promote the development of competing means of transportation, will simply help to prolong the depression and limit prosperity by imposing an excessive burden of rates and taxes upon the public and by restricting the purchasing and employing power of the railways.

The solution of all our great economic problems demands ascertainment and facing of actual facts and action in accordance with them. Ignorant or selfish disregard or denial of the actual facts regarding transportation conditions is one of the best ways available for delaying business recovery.

Fundamentals of a Sound National Transportation Policy

This country needs a new transportation policy. It should not be left to highway engineers to determine what highways shall be built. It should not be left to the army engineers to determine whether there is any economic justification for a waterway improvement. It should not be left to aviation engineers to determine what airways shall be established. The cost has been too great.

These men would be less than human if they did not seek to develop to the fullest extent the highways, waterways and airways coming under their respective jurisdictions.

This country needs a tribunal which will compare with

the Interstate Commerce Commission and will have full knowledge of all existing transportation facilities to determine the economic justification of any proposal to establish new transportation facilities, particularly when the expenditure of public funds is required. Such a tribunal should also investigate all of the existing transportation facilities which have been established and are being maintained at the expense of the taxpayers. If it is found that any of the existing facilities cannot be made self-sustaining, whether they be airway, waterway or highway, then they should be abandoned.

*President J. J. Pelley of the New Haven
in an address at Waterbury, Conn.*

Is Speed What Shippers Want?

Overnight service between distant points important
consideration in routing of freight—Trains
must match truck schedules

DRAW a circle around any of the principal distributing centers of the United States. Enclose within its circumference all of the towns within the trade area served by that distributing center. Now draw another circle around the distributing center, giving it a diameter of 300 miles, this representing the distance which loaded motor trucks can and do traverse between evening and early morning. If you have selected an average city as your distributing center, the circle representing the radius of overnight truck transportation will coincide with or lie beyond the circle representing the trade area of the distributing point. The radius of the trade circle, under present conditions, represents the distance for which overnight transportation is demanded. The radius of the truck circle indicates how completely truck transportation is satisfying this demand. It is no wonder, therefore, that truck transportation currently plays so important a part in the distribution of freight from centers of trade to outlying points in each trade area.

To complete the picture, draw a circle around the distributing center with its radius representing the distance covered by railroad freight trains between the hours of 7 p.m. and 7 a.m. the following morning. If the radius of this circle is equal to or greater than the radius of the trade circle and the radius of the truck circle, it may be concluded that the railways serving that trade area are doing one important thing which is necessary to meet truck competition. If the radius of the circle of overnight railroad service is substantially shorter than those of the other circles, then it may be concluded that the railroads in that area are severely handicapping themselves in their effort to hold or recover freight traffic moving within the trade area in competition with carriers on the highways.

Speed the New Keynote of Trade

Not so long ago, speed in transportation meant relatively little so far as shippers were concerned. Large inventories were looked upon by merchants with complacency and orders for goods were placed in quantities representing seasonal rather than daily or weekly requirements. Then came the present era of small inventories, quick turnover and so-called "hand-to-mouth" buying, induced at the outset by the acceleration and greater dependability of railroad freight service itself. Merchants ceased to stock their stores for the requirements of the next few months and began to stock them only for the requirements of the next few days. Orders began to come into the distributing centers, not for large quantities of goods to be delivered at some relatively distant day, but for small quantities of goods to be delivered within a few hours. The situation thus became ideal for truck transportation, with its ample capacity for shipments moving

in smaller quantities and with the speed and flexibility required to perform overnight service between distant points. It was not so ideal from the standpoint of railway transportation, accustomed as it had been to the belief that haste makes waste and that quantity begets economy. It is no wonder that the l.c.l. freight traffic which had been enjoyed by the railways, and even some of their carload freight traffic, broken up into truckload lots, deserted the rails for the highways.

Today it is the rule rather than the exception for orders to be placed, not by mail, but by telephone. It is the rule rather than the exception for delivery between shippers and consignees 200 or 300 miles apart to be demanded in time for the opening of business on the following day. The carrier which can perform this service generally gets the traffic. The motor truck can and does perform this task readily. The railroad may find it less easy, but unless it does perform this service, it is hopelessly outclassed in competition with the highway carriers. Speed in freight transportation, overnight service between points as much as 300 miles or even more apart, are demanded by shippers. It is not the only thing desired, but speed is one of the things that shippers want.

Speed Factor in Routing of 73 Per Cent of Trunk Traffic

There is ample proof of the accuracy of this statement. It can be had by putting the question directly to individual shippers. The Section of Transportation Service in the organization of the Federal Co-ordinator of Transportation has put this question to shippers in unprecedented numbers throughout the country, and J. R. Turney, director of the section, is authority for the statement that 73 per cent of all the tonnage which moves by truck, according to the statements of shippers, does so partly because that service is faster than railway service. But there is still more conclusive proof of the demand of shippers for speed in freight transportation in the quantities of freight now moving by truck instead of by rail. Speed in transportation is one of the outstanding features of truck transportation, and the quantity of freight now regularly moving by truck is strong evidence that shippers have welcomed the speed of truck service. It is this speed which the railways must match or exceed if their efforts toward freight traffic recovery and traffic development are to attain their goal.

Specific examples of extremely fast overnight motor truck service are to be found throughout the country. New England and other eastern states provide ideal conditions, of course, for truck transportation, many large sources of freight traffic lying within short distances of each other. Highway congestion might be expected to interpose a barrier to long overnight runs, but this is not so great as might be surmised, overnight truck service being commonly given between points as far apart as

Boston, Mass., and New York; New York and Baltimore, Md.; Philadelphia, Pa., and Pittsburgh; Cleveland, Ohio, and Cincinnati; Detroit, Mich., and Chicago, and so on. In the Middle West, some of the most conspicuous examples of fast truck schedules are those radiating from Omaha, Neb., which is the source of the greatest amount of merchandise traffic moving to stations in Nebraska. The trucks competing with the railways for this merchandise usually leave Omaha during the evening, and while they have no fixed time of departure, they make early morning delivery as far west as Grand Island, 144 miles, and Kearney, 186 miles from Omaha. Even longer distances are covered overnight by trucks operating from Chicago, St. Paul, Minn., and other middle western points.

Examples of Fast Truck Service

From St. Louis, Mo., trucks provide overnight service as far south as Little Rock, Ark., and Memphis, Tenn.; from Memphis as far south as Texarkana, Ark., and from Dallas, Tex., to points within a radius of 250 miles. Between Dallas and Houston, Tex., 260 miles, and between Dallas and San Antonio, 300 miles, the motor trucks of a number of competitive lines leave between 7 and 8 p.m. and reach their destinations early the following morning.

On the Pacific Coast, one truck line operating between San Francisco, Cal., and Los Angeles covers the distance of 445 miles in from 16 to 18 hr. The scheduled departure time from either terminal is 6 p.m., with scheduled arrival at destination at noon the following day. A 10-hr. overnight service is provided by another line between San Francisco and Fresno, a distance of 177 miles.

Other instances of similarly fast truck transportation are to be found throughout the country. Of course, truck transportation is a factor in the movement of freight over even longer distances, but it is undoubtedly true that the great bulk of freight now moving by trucks is handled on such vehicles over distances which can be covered approximately between sunset and sunrise.

Railroads Accept the Challenge

These fast truck schedules, covering 200 and 300 miles overnight, are the marks in the way of fast freight service at which the railways must shoot if they are to reach

and remain upon a competitive basis with the truck carriers. What has been done by the railways to meet the speed of truck competition? It is doubtful if there is even one railroad in the country which, to meet truck competition, has failed to speed up its freight train service to some extent. It is questionable whether all that can be done has been done by the railways, but some of them at least have made substantial progress. There are three ways in which railways are accelerating their freight train service—by arranging for higher road speeds, by reducing terminal delays, and by a combination of these two methods. Mention of high-speed merchandise freight train service immediately calls to mind such outstanding examples of fast freight trains as the "Maine Bullet" of the Boston & Maine and the New York, New Haven & Hartford, operating between Portland, Me., and New York; the "Speed Witch" of the New Haven and the Pennsylvania, operating between Boston, Mass., and Baltimore, Md.; the "Blue Streak" of the Cotton Belt, which operates southwest from St. Louis, Mo., and which makes strong claims to the title of "fastest freight train in America"; and the "Katy Komet" of the Missouri-Kansas-Texas, between Dallas, Tex., Ft. Worth, San Antonio and Houston. These familiar names identify examples of the sort of present-day freight trains with which railways throughout the country are endeavoring to meet truck competition and to recover and retain freight traffic.

New Haven "Accepts Today—Delivers Tomorrow"

What certain individual roads are doing to increase the speed of their freight train service is representative of what all railways, to a greater or less degree, are striving for. On the New Haven, to take a typical road operating in the industrial section of the East, the development of high-speed freight train service has not been abrupt but has been more or less one of evolution. With respect to local traffic, it has adapted and made effective its "Accept Today—Deliver Tomorrow" slogan. With the co-operation of other railroads, interline freight service also has been established solely to meet truck competition. The general increase in freight train speed has been made possible by the acquisition of locomotives of modern design which are capable of either high-speed or heavy-tonnage duty—this power replacing older and obsolete types. Being of general utility, they are not

The "Maine Bullet" on the Electrified Lines of the New Haven, Enroute on Its High-Speed, Overnight Schedule between Portland, Me., and New York



necessarily assigned specifically to trains of any particular class, such as the "Maine Bullet" or the "Speed Witch" which operate on fast schedules over the lines of the New Haven, giving overnight service between Portland, Me., and New York and between Boston, Mass., and Baltimore, Md.

Neither is any special selection made of freight car equipment, the standard of maintenance in effect on the New Haven being such as to make all cars available for movement in freight trains of whatever class. In realigning freight train schedules, it necessarily followed that prior classification had to come into effect so that handling at intermediate terminals might be reduced to a drop-and-pick-up operation. Engine and crew changes are effected on the basis of a main-track operation. The quickening of schedules on the New Haven has had a slight effect on operating costs. While the fastest trains are running a little light of tonnage and at a higher rate of speed, they are producing and holding traffic that would otherwise go to other means of transportation. Therefore, it is felt that the loss on one hand is offset to a greater extent by the gains on the other.

To meet truck competition in Nebraska, the Union Pacific has arranged a freight train schedule whereby merchandise freight received at Omaha as late as 5 p.m. is delivered at North Platte, Neb., 281 miles away, at 8 the following morning. The operation of freight trains throughout the system has been so accelerated that first morning deliveries are now made at 7 a.m. where formerly they were completed during the afternoon.

Keep Pace with Trucks

On the Cotton Belt, the most prominent example of a fast freight train schedule is that of the "Blue Streak" which effects overnight deliveries on freight moving out of St. Louis as far south as Memphis, Tenn., and Texarkana, Ark., by a combination of rail and truck service. With its scheduled average speed of nearly 40 miles per hour, including stops, the "Blue Streak" is able to match competitive truck service. Just to show that the motor truck is not the only carrier that is able to act quickly in emergencies, it might be mentioned that the Cotton Belt recently received a telegram in St. Louis at 3 p.m., requesting that a part for a piece of machinery be forwarded on the "Blue Streak" that night for use in Texarkana early the following afternoon. The part went forward and was received by the consignee at the time requested.

On the Missouri-Kansas-Texas truck competition between Dallas, Ft. Worth, San Antonio and Houston was met by the establishment of the "Katy Komet." This train, southbound, leaves Dallas at 7 p.m. and Ft. Worth at 7:30 p.m. and arrives at San Antonio at 6 a.m. and at Houston at 7:15 a.m. Northbound, it leaves San Antonio at 7 p.m. and Houston at 8:30 p.m. and arrives at Ft. Worth at 7:30 a.m. and at Dallas at 8 a.m. No special locomotive or car equipment is assigned to these trains, the time-saving having been accomplished both by higher road speeds and by reducing intermediate terminal delays.

Mixed Trains on Southern Pacific

To meet the 16-18 hr. truck service between San Francisco and Los Angeles, the Southern Pacific provides an l.c.l. freight schedule between these points on train No. 70, a passenger train, leaving San Francisco at 7:45 p.m. and arriving at Los Angeles at 10:50 a.m. the next day, 15 hr. 5 min. enroute. In the reverse direction, the running time is 14 hr. 10 min. To meet the 10-hr. truck service between San Francisco and Fresno, the Southern

Pacific offers 10-hr. 5-min. freight service from San Francisco and 12-hr. service from Fresno to San Francisco. Mixed trains have been established between San Francisco and Los Angeles, San Francisco and Eureka, and Los Angeles and Bakersfield, these employing regular passenger locomotives and the freight being handled in baggage cars stripped of their interior fixtures. Running on passenger schedules, these mixed trains maintain high road speeds and are subject to no more intermediate terminal delays than a regular passenger train.

Instances of Fast Freight Service

The individual trains mentioned in the foregoing are not to be considered, of course, as isolated examples of faster railway merchandise freight service. Rather, they are outstanding examples of the acceleration of freight trains which is and has been taking place, as a result of truck competition, throughout the country. Some other instances of fast freight service are the overnight trains of the roads operating between Buffalo, N. Y., and

In the Issue of January 6

This is the first of two articles on the effectiveness of speed in freight train service in developing freight traffic. It shows that there is a demand, among shippers, for high-speed freight service and it tells how railways and their truck competitors are meeting this demand. The next article, to be published in the *Railway Age* of January 6, will describe the extent to which the operation of high-speed freight trains has been effective in retaining, recovering or creating freight traffic for the railways in the face of truck competition.

New York; the Burlington's 15-hr. service between Chicago and Des Moines, Iowa, and 10-hr. service between Kansas City, Mo., and Omaha, Neb.; the Missouri Pacific's 10½-hr. service between Kansas City, Mo., and Wichita, Kan., between Kansas City and Omaha, Neb., and between St. Louis, Mo., and Kansas City. The trend is definitely toward faster freight trains, not in one or two specific instances but in a general program of improvement of merchandise freight service from the principal distributing cities, with the goal something like that of the Texas & Pacific which now affords overnight freight service for merchandise from its principal distributing cities to all points on its lines within 325 miles.

Such fast merchandise freight service is necessary. It is necessary because fast service over substantial distances is being given by the highway competitors of the railways. It is necessary because shippers are demanding speed in freight deliveries and are able to get it from truck transportation if they cannot from railway transportation. Speed, definitely, is what shippers want.

REDUCED FARES FOR TOURISTS have recently been inaugurated on the German railways. Among the concessions is the 25 per cent reduction, which became effective December 1, and which is granted to all tourists who remain in Germany for more than seven days; another is the reduction amounting to 33½ per cent announced for visitors to the Passion Play in Oberammergau in 1934. In connection with this latter, arrangements have been made whereby railroad tickets will be accepted on Rhine steamers at the option of the traveler. In addition there will be special Passion Play trains on which a reduction in fare amounting to 60 per cent will be in effect.



The Milwaukee Locomotive Which Made 18,390 Miles in 30 Days

Milwaukee Motive Power Makes High Mileage

Twenty-two modern locomotives average over 10,000 miles a month—One makes 18,390 miles in 30 days

WHAT is believed to be a record performance has been accomplished on the Chicago, Milwaukee, St. Paul & Pacific with 22 modern steam passenger locomotives, purchased in 1930 and 1931. This power has averaged over 10,000 miles a month for each locomotive since being placed in service. Four of these locomotives have averaged 11,484 miles a month and one made 18,390 miles in a single 30-day period. The figures of maintenance cost for this power also are of unusual interest, the records indicating a cost of 14.5 cents a mile for part of the power, which included one general shopping and 12.7 cents a mile for the balance of the power which has not yet been in the shop for heavy repairs.

All of these locomotives are of the 4-6-4 type and built by the Baldwin Locomotive Works. The first 14, designated Class F-6, were received between January 1, 1930, and March 6, being assigned to through passenger service between Chicago and Minneapolis, Minn. The principal dimensions of these locomotives and the specialties used on them are shown in two of the tables. The unusually favorable operating results secured led to the purchase of eight additional locomotives,

which were received from the builder and placed in service in October and November, 1931.

The additional locomotives, No. 6414 to 6421, inclusive, were designated Class F-6a and are substantially

Principal Dimensions of the Milwaukee Class F-6 Locomotives

Locomotive numbers	6400 to 6413, incl.
Locomotive type	4-6-4
Cylinders, diameter and stroke.....	26 in. by 28 in.
Piston valves, diameter.....	14 in.
Driving wheels, diameter over 4-in. tires.....	80 in.
Boiler pressure	225 lb.
Tubes, number and diameter.....	58—2¼ in.
Superheater flues, number and diameter.....	182—3½ in.
Grate area	80 sq. ft.
Total heating surface (evaporating).....	4,205 sq. ft.
Weight on drivers	189,720 lb.
Weight on trailing truck	106,200 lb.
Weight on leading truck	79,930 lb.
Weight in working order	375,850 lb.
Weight of tender	277,800 lb.
Weight of engine and tender.....	653,650 lb.
Tractive force	45,822 lb.
Factor of adhesion.....	4.14
Tender water capacity	15,000 gal.
Tender coal capacity	20 tons

the same as the 14 Class F-6 locomotives. The principal differences lie in the substitution of the Wilson Engineering Company's water conditioner for the feedwater heater on eight locomotives, substitution of the Cyclone

front end for the Master Mechanic's type on four locomotives, and the addition of the Cleveland low-water alarm and Wilson blow-off cock mufflers on eight locomotives. A change was also made in the location of the air pump on the F-6a locomotives, it being located on the front deck instead of at the side of the boiler, the bracket being integral with the locomotive bed. The motion-work bed and the reverse-gear bracket were cast integral with the locomotive bed. The weight of the

Specialties Applied on Milwaukee Class F-6 Locomotives

Coffin feedwater heater
Hancock HNL inspirator
Type-E superheater
Dupont Simplex modified Type-B stoker
Commonwealth locomotive bed, tender water bottom and 6-wheel tender trucks
Alco reverse gear
Whelan by-pass-valves
Unity drawbar
Radial buffer
Christman hub plates
Grisco quarter-bearing main driving boxes
Alemite lubrication
American Steel Foundries' roller-bearing units on trailer and tender
Graham-White sanders
Master Mechanic's front-end arrangement
Nicholson Thermic Syphons
Wilson sludge remover and blow-off cocks
Hoover flange oilers
Laird guides and crossheads (lubricated from main mechanical lubricator)
Baker valve gear
American multiple smoke-box throttle
Viloco four-opening exhaust nozzle
Hunt-Spiller Manufacturing Company valve packing rings and sectional piston packing rings
Nathan force feed lubricator
Miner friction draft gear
United Switch & Signal Company automatic train stop

engine and tender was increased 14,350 lb. and the factor of adhesion of the locomotive was increased from 4.14 to 4.25.

Sixteen of the 22 locomotives are regularly assigned to Minneapolis-Chicago-Omaha service, three to Minneapolis-Harlowton (Mont.) service and three to protect the service in both directions out of Minneapolis.

The average age of the first 14 locomotives on October 31 was 45 months, during which period these locomotives averaged 434,107 miles each, or 9,647 miles

Intermediate Servicing of Locomotives on the Minneapolis-Harlowton Run

Station	Take water	Take coal	Change engine crews	Clean ash pan	Lubricate pins
Minneapolis, Minn.	x	x	—	x	All
Montevideo, Minn.	x	—	x	x	Main
Milbank, S. D.	x	x	—	—	—
Aberdeen, S. D.	x	—	x	x	Main
Roscoe, S. D.	—	x	—	—	—
Mobridge, S. D.	x	—	x	x	All crank
Hettinger, N. D.	x	x	—	—	—
Bowman, N. D.	x	—	—	—	—
Marmarth, N. D.	—	—	x	x	Main
Mildred, Mont.	x	x	—	—	—
Miles City, Mont.	—	—	x	x	All crank
Cartersville, Mont.	x	—	—	—	—
Roundup, Mont.	x	x	—	—	—
Harlowton, Mont.	x	x	—	x	All

per locomotive per month. The average age of the last eight locomotives on October 31 was 24 months, during which period these locomotives averaged 259,584 miles each, or 10,816 miles per locomotive per month.

The average cost per mile for maintenance of the 14 F-6 locomotives from the date of receipt of the locomotive to October 31, 1933, was 14.5 cents, and the average cost per mile for maintenance of the eight F-6a locomotives from the date of receipt to October 31, 1933, was 12.7 cents. The difference in cost per mile of the two groups was due principally to the F-6 locomotives having completed the cycle including heavy shop repairs, while the F-6a locomotives had not completed this cycle. At the age of 24 months, the cost per mile for maintenance of the 14 F-6 locomotives was 13.3 cents.

The continuous run of four (includes one extra) of these locomotives from Minneapolis, Minn., to Harlowton, Mont., contributes to the difference in cost per mile for maintenance. The average cost per mile for maintenance of these four locomotives from the time received to October 31, 1933, was 12.27 cents; the average mileage made by each was 275,624; and the average miles per month per locomotive was 11,484.

Throughout the month of November, 1933, Locomotive 6415 was assigned to the Minneapolis-Harlowton service and developed a remarkable performance, making ten complete round trips from Minneapolis to Harlowton and return, a distance of 1,839 miles per round trip, or 18,390 miles during the 30-day period, an average of 613 miles per calendar day, without causing any detention on account of conditions pertaining to the locomotive.

This locomotive was given ordinary attention at Minneapolis and Harlowton and was given no special attention by traveling engineers or other special men during November.

The locomotive on this run is handled by six different locomotive crews in each direction, takes water at 11 stations and coal at seven stations, as shown in the table. The fire is cleaned twice and the ash pan dumped five times at intermediate stations. It is not necessary to make stops at all the intermediate stations shown for the purpose of taking water only, but where time at these stations permits a part tank of water is taken in order to keep to a minimum the time required at what would ordinarily be necessary stops for water.

All bearings or wearing surfaces are lubricated at Minneapolis and Harlowton. The main pins are lubricated at five intermediate stations, and all other pins are lubricated at two intermediate stations.

No helper locomotives are used except in severe blizzards, although westbound there is a 1-per cent continuous grade for 17½ miles.

Montana coal from the mines in the vicinity of Roundup, Mont., is used, a representative analysis being as follows: Moisture, 10 per cent; volatile matter, 33 per cent; fixed carbon, 47 per cent; ash, 10 per cent; B.T.u., 10,700; sulphur, 0.7 per cent.

The quality of water used en route ranges from good to hard, treated water being furnished at some stations and natural water furnished at other stations. The major portion of the water used is high in alkaline solids.

From tests conducted, the evaporation rate was found to be 6.40 lb. of water per lb. of coal as fired, and the pounds of coal per 1,000 gross ton-miles, excluding the weight of the locomotive and tender, on Trains 15 and 16, ranged from 90.32 to 123.20.

The regular consist of the train is nine or ten cars, but frequently eleven to fourteen, and occasionally fifteen or more cars are hauled.

F-6a locomotives have been assigned to Trains 15 and 16 between Minneapolis and Harlowton since these locomotives were new. Few locomotives have been cut off the train en route, due to mechanical imperfections, and none has been cut off at intermediate stations since September 22, 1933.

THE TICKET OFFICES OF THE NEW YORK CENTRAL in New York City, are now offering round trip tickets to Montreal, Que., by which the northward trip is to be made over the New York Central and the Rutland, and the return by planes of the American Airways. Leave New York, 9:40 p.m.; arrive Montreal, 7:50 a.m.; returning, leave Montreal 1:45 p.m., arrive at New York (Newark airport) 6:50 p.m. The round trip fare is \$35.06.



A Gravel Ballast Pit on the Southern Pacific's Alturus Line

What of the Deficiency in Ballast?*

An analysis of the requirements in the light of the reduction in application since 1929

By H. R. Clarke

Engineer Maintenance of Way, Chicago, Burlington & Quincy, Chicago

BALLAST, is defined by the American Railway Engineering Association as "selected material placed on the roadbed for the purpose of holding track in line and surface." Among materials used for ballast are chats, chert, cinders (both volcanic and produced by furnace combustion), burnt clay, disintegrated granite, gravel, sand, slag, and crushed stone. Gravel is further classified as pit run and prepared. In the choice of the material to be used, several factors are important. Among them are availability and cost, as well as quality and suitability. Availability is a very important consideration and often the deciding one, as the cost of transportation mounts rapidly as the distance hauled increases. Some roads are fortunate in having suitable ballast material in many places along their lines. In this connection, another quotation from the manual of the American Railway Engineering Association is of interest, as it indicates the opinion of engineers charged with railroad maintenance.—"In the choice of ballast, where gravel is available, it should receive careful consideration, as it has given excellent results, especially when properly screened, crushed and washed."

A Study of Previous Consumption

In studying the requirements of the railroads for prepared gravel during the next year or two, the only measure available is past performance. It is hardly necessary to say that the amount spent by the railroads for all purposes depends on the revenue they are able to earn. That has been most decidedly evident since 1929. In an effort to determine past performance and to formulate, if possible, some idea of future tendencies, the figures given in the table have been compiled. They were taken from reports of the Bureau of Railway Economics and from the files of the *Railway Age*. The revenue figures were taken from Interstate Commerce Commission reports.

I know of no more reliable and dependable figures than these.

The expenditure shown for ballast is the amount spent for the purchase of all kinds of ballast material, and includes freight charges paid to foreign lines. "Company haul" cost is not included, nor is any sum spent for company-produced ballast, such as pit-run gravel, cinders, etc. The "cubic yards" is to some extent an estimated figure based on information available.

As stated, both the amount spent and the yardage shown are for all kinds of ballast purchased, and include

	Operating Revenues	Total Purchases	Ballast Purchases Cost Incl. Freight	Cubic Yards	Per cent Ballast Purchased to Operating Revenue
1925..	\$6,123,000,000	\$1,392,000,000	\$18,000,000	\$22,000,000	0.29
1926..	6,383,000,000	1,599,000,000	26,000,000	25,000,000	0.41
1927..	6,136,000,000	1,396,000,000	24,000,000	28,000,000	0.39
1928..	6,112,000,000	1,271,000,000	24,000,000	27,000,000	0.39
1929..	6,280,000,000	1,330,000,000	24,000,000	30,000,000	0.38
(Five Year Ave.)	6,270,000,000	1,390,000,000	23,000,000	27,000,000	0.38
1930..	5,281,000,000	1,039,000,000	19,000,000	24,000,000	0.35
1931..	4,188,000,000	695,000,000	13,000,000	18,000,000	0.30
1932..	2,750,000,000	450,000,000	6,000,000	8,500,000	0.22

several other materials in addition to prepared gravel. Information has been secured from the Bureau of Mines, U. S. Department of Commerce showing the cubic yards of gravel ballast purchased for the years 1929 and 1930, the latest available. These, compared with the total ballast purchased in those years, indicate that a little more than fifty per cent of all ballast purchased was gravel, or gravel and sand. This clearly shows the importance of gravel as a ballast material and the favor in which it is held by engineers charged with maintaining the railroads. No doubt availability and cost, compared with other materials that might be used, are important factors in the decision to use gravel.

In* order to obtain data on the yardage of gravel

*An abstract from a paper presented before the convention of the National Sand & Gravel Association at Detroit, Mich.

used as ballast over a period of years, an effort has been made to secure information from railroads direct. A small group of lines, representing about one-tenth of the railroad mileage of the United States, report the use of gravel ballast as follows:

	Cubic Yards
1925.....	900,000
1926.....	1,100,000
1927.....	2,000,000
1928.....	1,700,000
1929.....	2,300,000
1930.....	1,300,000
1931.....	900,000
1932.....	600,000

What the Figures Show

An analysis of the figures obtained leads to the following conclusions:

(1) Prepared gravel, on account of its cost, availability and suitability, is considered very good ballast material.

(2) In the years 1929 and 1930 (and no doubt in other years) about one-half the total yardage of ballast purchased was prepared gravel.

(3) The total amount spent by the railroads in the purchase of all materials and supplies bears a fairly constant relation to gross revenue when the gross revenue is fairly satisfactory. For the five years 1925 to 1929, inclusive, the total amount spent in the purchase of materials and supplies averaged above 22 per cent of the gross income, and in each individual year the ratio was not very different, but was greatest in 1926, the year of the largest gross revenue, when it was above 25 per cent.

(4) As the gross income declines markedly, the expenditures for materials and supplies go down sharply. In 1931 and 1932, years of low gross income, the ratio of the amount spent in purchases to the gross revenue was only 16 per cent.

(5) The purchase of some materials, such as fuel, is almost compulsory, and as revenues decline and the total expenditures shrink the ratio of the amount spent for the purchase of these supplies as compared with the total rises rapidly, while for materials and supplies, the purchase of which can be deferred, the ratio shrinks. Ballast is one of the items the purchase of which can be deferred for a time, at least, as is indicated by the fact that the expenditure for ballast fell from an average of \$23,000,000 for the five years 1925 to 1929, inclusive, to \$6,000,000 in 1932, a drop of almost 75 per cent, while the total amount expended for material and supplies fell only about 65 per cent. The gravel purchased declined from an average of about 12,000,000 cu. yd. for the five-year period to about 4,000,000 cu. yd. in 1932.

Conditions Governing Retrenchment

In attempting to outline probable future trends, we must be guided by past performance. There are a number of questions we might ask and attempt to answer:

(1) Were the railroads over-maintained in the years when they were purchasing 25,000,000 to 30,000,000 yards of ballast each year?

In my opinion, they were not. The standard of maintenance set up and the work done was necessary to put and keep the railroads in condition to carry the tonnage being handled at the increased speed that was demanded.

(2) If the railroads were not over-maintained, then how seriously are they suffering now from deferred maintenance, when the total maintenance of way expenditure has declined about 50 per cent and the decline in

the amount of ballast purchased has been even greater?

This is a difficult question to answer. No doubt the standard of maintenance has been lowered and tracks and structures are not in as good shape as three years ago. The cumulative deferred maintenance, however, is not correctly represented by the difference in the amount spent on maintenance of way and structures during the past three years compared with the five previous years.

The decrease in the density of traffic, the lighter tonnage handled, and the fewer wheels over the roadbed have resulted in a noticeable difference in the rate at which track and structures wear out and replacement becomes necessary. The decreased wear on rail, frogs and switches is very decided. Ballast fouls and wears out less rapidly and even in the case of ties, while decay is the important factor in making renewals necessary, wear also has a part and this, of course, decreases as traffic becomes lighter. Therefore, as traffic density decreases and tonnage grows lighter, it becomes possible to decrease maintenance expenditures materially and still hold to the former standards of maintenance.

No definite measure of this is possible but, as a rough yardstick, I estimate that, assuming expenditures for maintenance of way have decreased 50 per cent under the average of three years ago, if it had been possible to spend 75 per cent of the average of three years ago instead of the 50 per cent that was spent, there would have been no deferred maintenance, that is, previous standards would have been maintained by the smaller expenditures, under the much lighter traffic density.

This attempted formula, converted into terms of prepared gravel, would indicate that if the railroads had been able to purchase and apply 9,000,000 cu. yd. instead of about 4,000,000 which it is estimated they did buy, ballast standards would have been maintained. On this assumption, the deferred maintenance in gravel ballast amounts to 5,000,000 cu. yd. for 1932, while 1930 and 1931 almost held up to former standards.

(3) Where or in what particular has deferred maintenance been greatest?

The answer to this is, where the officers responsible for the property have believed it would do the least harm. The maintenance of way dollar is spent for two things, labor and material. As a rule, when it becomes necessary to reduce the total, expenditures for material are curtailed more than expenditures for labor. Materials cannot be used without labor, while labor can be used without material and, for a time, an increase in the expenditure for labor would compensate to some extent for a decrease in the amount spent for material. Any figures with which I am familiar show that this holds true in this present period, and the amount spent for material has been reduced more than that spent for labor.

Policies Pursued

The amount spent by the railroads for fuel is greater than for any other item. Ties come second and rails third. Above the subgrade, ballast, ties, rails and fastenings make up the track structure. During the present period of decreased expenditures and curtailed maintenance, it has been the practice of most roads to maintain tie conditions more nearly to previous standards than other units of the track structure, the officers responsible being of the opinion that lowered tie conditions would be more serious and detrimental than a deterioration in ballast or rail standards. There has been a decided reduction in the number of ties used, made possible, as previously explained, by decreased

wear due to lighter traffic density, but as a rule, I think, tie conditions have been kept up fairly well.

Opinions differ as to how long the railroads can continue to carry on on the present basis of expenditures. I believe it is possible for a longer time than many think. The decided effect of the greatly reduced traffic on the expenditures necessary has already been mentioned. In addition to this, prior to 1930 there had been a marked improvement in the strength and stability of the track structure, and a reserve had been created, or perhaps we should say, a greater factor of safety was built up, that has been of great value and that will enable the railroads to continue to hold maintenance of way expenditures down for some time to come if traffic does not increase markedly. The careful and judicious expenditures made during several years prior to 1930 for better ballast, treated ties, heavier rail, tie plates and other improved fastenings, permanent bridges, wider and more substantial roadbeds, well ditched and drained, had built up a track structure adequate to and necessary for the traffic being handled and the demands made upon it. The improvement as compared with conditions at the termination of federal control was most marked and returns are now being realized on this investment.

Southern Pacific Train Stops Out of Service

THE Interstate Commerce Commission, in a report dated December 6, has permitted the Southern Pacific to suspend maintenance and operation of the automatic train stop apparatus on 157 miles of its line, until further order of the Commission. The apparatus has been in service seven years on the line from Oakland via Richmond, Martinez, Pittsburg and Tracy to Fresno, but the present order applies only to the line between Pittsburg and Fresno, 157 miles, Pittsburg being 45 miles east of Oakland Pier.

This system, that of the National Safety Appliance Company, was completed in June, 1925, from Oakland to Tracy, 76 miles, and the remainder, 125 miles, was completed about one year later; total number of locomotives equipped, 173. The line is single-track and equipped with automatic visual block signals of the semaphore and color-light types.

The company asks relief from the expense of maintaining this system because of light traffic, and because of the need of money for other safety measures which are deemed more important. Most of the line is in a region level and otherwise favorable to train movement by visual roadside signals. The estimated direct saving by the granting of this petition will be \$2,293 per annum, besides important renewal expenses which will soon be necessary. Among desired improvements which could be made with money saved are extension of the automatic block signal system, elimination of highway grade crossings and improvement of track. There have been no accidents on this section of the road which would have been prevented by an automatic train stop.

The petition says that on other parts of its line, where an automatic train stop is more necessary, the company has installed the National system voluntarily; these are from Emigrant Gap to Andover, 29 miles, 93 locomotives; and three miles over the double-track drawbridge at Martinez. The service over this bridge includes some locomotives equipped with cab signals, but without automatic stops.

Freight Car Loading

WASHINGTON, D. C.

REVENUE freight car loading in the week ended December 9 totaled 537,503 cars, an increase of 42,078 cars over the total for the preceding week, which included a holiday, and an increase of 16,896 cars as compared with the corresponding week of last year. Loading of forest products and ore showed a reduction as compared with the week before, while loading of merchandise, coal, and live stock was less than in the corresponding week of last year. Miscellaneous loading was 26,990 cars above the figure for the corresponding week of last year. Increases as compared with last year were also shown for the Eastern, Allegheny, Northwestern and Central Western districts. The summary, as compiled by the Car Service Division of the American Railway Association, follows:

Revenue Freight Car Loading

Week Ended Saturday, December 9, 1933

Districts	1933	1932	1931
Eastern	122,063	116,961	137,888
Allegheny	103,741	95,852	120,390
Pocahontas	33,396	36,586	37,619
Southern	80,317	82,988	91,908
Northwestern	63,007	58,695	71,674
Central Western	87,474	80,110	99,312
Southwestern	47,505	49,415	54,830
Total Western Districts	197,986	188,220	225,816
Total All Roads	537,503	520,607	613,621
Commodities			
Grain and Grain Products	28,539	27,755	30,181
Live Stock	16,883	18,100	24,651
Coal	106,369	119,385	131,068
Coke	6,265	4,979	6,657
Forest Products	20,352	15,354	19,065
Ore	2,564	1,840	4,004
Mdse. L.C.L.	162,107	165,760	197,554
Miscellaneous	194,424	167,434	200,441
December 9	537,503	520,607	613,621
December 2	495,425	547,095	636,366
November 25	581,347	493,318	558,798
November 18	599,289	572,623	653,503
November 11	577,676	536,687	689,960
Cumulative total, 49 weeks	27,428,389	26,764,372	35,626,453

The freight car surplus for the last half of November averaged 440,756 cars, an increase of 22,280 cars as compared with the number in the first half of the month. This included 252,587 box cars, 136,240 coal cars, 83,285 stock cars, and 9,276 refrigerator cars.

Car Loading in Canada

Car loadings in Canada for the week ended December 9 totaled 39,601, which was a decrease of 2,727 cars from the previous week's but an increase of 1,597 cars over the total for the corresponding week in 1932. The decrease from the previous week was slightly more than the usual seasonal decrease and the index number declined from 59.73 to 59.25.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
Dec. 9, 1933.....	39,601	18,492
Dec. 2, 1933.....	42,328	18,443
Nov. 25, 1933.....	44,492	19,735
Dec. 10, 1932.....	38,004	17,547
Cumulative Totals for Canada:		
Dec. 9, 1933.....	1,928,286	905,034
Dec. 10, 1932.....	2,082,297	923,654
Dec. 5, 1931.....	2,455,775	1,220,990

Railroads Express Views on Transportation Legislation

Association of Railway Executives files brief
with Federal Co-ordinator Eastman

WASHINGTON, D. C.

AMENDMENT of the rate-making clause in Section 15a of the Interstate Commerce Act to lay an affirmative duty on the Interstate Commerce Commission to fix rates which will sustain the carriers and provide the country with an efficient system of transportation is a new recommendation of the Association of Railway Executives included in a voluminous brief which it has addressed to Joseph B. Eastman, federal co-ordinator of transportation. The brief was prepared in response to the co-ordinator's invitation of November 4 to those interested in transportation legislation to file briefs which would take the form of answers to 27 questions propounded by the co-ordinator. Many other organizations have filed briefs and many thousands of others have submitted answers to the questions.

It is intended to be considered in connection with the recommendations for legislation which the Co-ordinator expects to begin submitting to the Interstate Commerce Commission, for transmission to the President and Congress, with its own comments, soon after the first of the year. There will be a series of such recommendations which Mr. Eastman hopes to complete not later than March. The recommendations will also be submitted to the special committee on transportation appointed by the President, of which Secretary Roper of the Department of Commerce is chairman. Mr. Eastman's recommendations will be his own, but he has informally advised with the presidential committee on the subject, and it is not understood that that body has made any detailed study of its own. From all of this it is hoped that a transportation policy may be developed which may be embodied in a "Transportation Act, 1934."

On the other hand, many of those interested are beginning to fear already that any plans for transportation legislation may meet a situation similar to that which has delayed it so many times before and may be engulfed in the maelstrom of the national industrial recovery act or some new inflationary redistribution act. It is understood that the Administration hopes to have a rather short session of Congress, to adjourn perhaps even as early as April, and is shaping its plans for absolutely necessary legislation with a view to early action. It is also understood that the co-ordinator is not prepared to come forward at once with a complete program such as might be pushed through at one time under Administration pressure, and those who wish to escape truck regulation are planning to make a vigorous fight to let code regulation suffice for a time.

Whereas Section 15a as amended by the emergency transportation act directs the commission to "give due consideration" to the need for adequate carrier revenues, among other things, the Association of Railway Executives believes that the affirmative duty of the commission should be stated by Congress, and to this end it suggests that this paragraph (2) be revised so as to read as follows:

"In the exercise of its power to prescribe just and reasonable rates the Commission shall initiate, establish, modify or adjust

rates of the carriers by railroad subject to this Act so that such carriers as a whole (or as a whole in each of such rate groups or territories as the Commission may from time to time designate) will, under honest, efficient and economical management and reasonable expenditures for maintenance of their properties, realize operating income sufficient to enable them to provide adequate and efficient transportation service and maintain an adequate national system of transportation."

"It would seem to be in the interest of a sound transportation policy that the affirmative duty should be placed upon the Commission to initiate and establish rates which will realize sufficient income to enable the carriers to provide adequate and efficient transportation service," the brief says. "This is the very heart of the problem. The carriers are entitled to a plain declaration from Congress that an adequate national system of transportation should be preserved, and it is believed that the amendment by the association will strengthen railroad credit and give assurances to the investing public that Congress will support the railroads, by directing the Commission to consider, in fixing rates, the need of an adequate system of transportation."

"It is commonly recognized and frequently asserted in the public press and elsewhere that national recovery would be tremendously advanced if the railroads could reemploy the number of men normally in their service and could purchase materials which they normally buy for their necessities. There can be no doubt that if the railroads could enter upon an extensive purchasing program such a course would aid immensely in solving the unemployment problem and would do more than any other one thing to bring us back to normal business conditions. To this end, certain agencies of the government, like the Reconstruction Finance Corporation and the Public Works Administration, have indicated their willingness to lend money to the railroads upon reasonable terms in order that they might purchase rail, repair their equipment and purchase new equipment. This policy is favored not only because the railroads are important as agencies of transportation, but because it is believed that business generally would be improved if the railroads would buy more liberally and would add to the number of employees now at work."

"But more important than a generous attitude toward the railroads by the government in the matter of furnishing funds would be the assurance from Congress and those who are in responsible executive position that the country recognizes the importance of maintaining the railroads in such a way as to assure their future."

"We know of nothing which would tend to remedy this situation so effectually as a declaration by Congress that the country needs the railroads, that it recognizes their importance, that it is committed to the theory of private ownership and operation under reasonable public regulation, and that the railroads will be sustained and supported in their demand for reasonable rates and reasonable regulatory provisions."

"In submitting this proposed amendment to section 15a it is the belief of the association that the adoption

of this clause will tend to strengthen railroad credit and give investors confidence in railroad securities, since it will be a direction by Congress to its agent, the Interstate Commerce Commission, that the railroads must be given adequate rates."

The brief not only deals with the questions which the co-ordinator has submitted to the country for comment, but also covers several additional matters in the field of federal legislation supplementary to those in a memorandum filed with the co-ordinator and the members of the special committee appointed by the President for the purpose of considering the transportation problem in August, which is asked to be made part of the brief. The additional recommendations include the change in Section 15a, amendment of the existing laws governing awards of reparation, of Section 13, of the consolidation section of the law, of the Clayton anti-trust act and the law with reference to abandonments. It also includes as exhibits drafts of proposed federal bills for the regulation of interstate motor vehicle carriers, for the regulation of transportation by water, providing tolls for the commercial use of inland waterways, and for the unification of carriers.

Consolidations

The carriers are not at this time recommending any wholesale or fundamental revision in the law which deals with consolidation, as the subject is being given special consideration by the co-ordinator. The brief says that the question is of very great importance to the railroads, but in view of investigations being made by the co-ordinator and by others it is not believed to be wise for the railroads to go on record at this time in favor of radical changes in the system now provided. Congress, in the Emergency Railroad Transportation Act, 1933, has re-enacted the provisions of the law dealing with consolidations, making changes to subject railroad holding companies to the jurisdiction of the commission.

The association is giving further thought and study to the whole question. In the meantime, however, it has approved in principle a revision of Section 5 of the Interstate Commerce Act, dealing with consolidations, which has for its purpose making the law more workable and intelligible and adding the important provision that a railroad subject to the act may acquire, by purchase, lease or acquisition of stock, control of any carrier by highway, by water or by air, or the properties and franchises thereof. It is the opinion of the association that this suggested revision will tend to clarify the present statute and make the law more readily applicable to proposed unifications, without making any fundamental change in the present theory of the law. It may be that later on some more fundamental changes will be submitted to the law-making authorities.

The proposed amendment to Section 13 would give to the Interstate Commerce Commission power, upon application, to suspend a state rate pending the investigation of its legality, one purpose being to protect the revenue of the carriers in cases where state commissions have made orders with reference to rates which carriers desire to have examined by the federal commission.

Proposed Amendment to Clayton Anti-Trust Act

The carriers suggest that the Clayton anti-trust act, in so far as it deals with the sale of materials and securities, should not apply to dealings or contracts among corporations affiliated through ownership by one of them of the capital stock of the other, or through the ownership of the entire capital stock of both corporations by a third corporation, or to dealings or contracts between a corporation, the entire capital stock of which is owned by two or more common carriers, and said common car-

riers or any of them. Nor does the association think it should apply to dealings or contracts among common carriers where they belong to the same system of transportation and where they are under a common control or management.

Railroads constituting a single system should be free to sell materials one to the other without being required to comply with the provisions of the Clayton act calling for bids where there are any common directors or officers, the association says. It was never intended, manifestly, to prevent the parent company in a group from buying materials in large quantities and thereby securing a better price, and thereafter selling or disposing of a part of the materials so purchased to subsidiary corporations or corporations affiliated with the parent company in the operation of railroads.

The association suggests that a change be made in the law governing the procedure where a railroad applies to the Interstate Commerce Commission for permission to abandon certain portions of its line. Under the law as it stands now and as construed by the commission, whenever an application is made for an abandonment, notice is given to the public and to the officers of the state where the railroad lies. There may be no objection whatever on the part of anybody to the proposed abandonment. However, the commission has seen proper under the present law to provide a somewhat elaborate series of questions contained in a questionnaire which must be answered by the railroad company in great detail, thereby involving considerable delay and expense.

The proposal is that the law be amended so that the railroad may give notice to the Interstate Commerce Commission of its desire to abandon a particular line, that the commission shall then give notice to the interested parties, somewhat as is the practice now, and that if there is no objection filed by anyone the abandonment shall be authorized as a matter of course without requiring the railroad to produce evidence either in the form of an answer to the questionnaire or otherwise. "The law should provide that if there is objection, then such objecting party shall have a right to be heard and the case shall proceed, as it does now, in such a way as to require the railroad to make a full disclosure of all the facts. This would seem to be a salutary reform."

Attention is also called to the "Recommendations as to Policy" submitted by the association a year ago to the National Transportation Committee.

Equality of Opportunity For All Transportation Urged

Replying to the Co-ordinator's question "Should rail, motor and water transportation enjoy equal opportunities of competition in so far as Federal regulation is concerned?" the brief says in part:

It seems to us that nothing could be clearer than that inequality of opportunity is unfair and un-American. Rail, motor and water transportation should enjoy equal opportunities of competition, not only with respect to federal regulation but in other respects as well. We are dealing, of course, now with federal regulation. But we may here observe without impropriety that the railroads, motor vehicles and the various forms of water transportation should be given equality of treatment in the matter of taxation as well as in the matter of regulation. If water and motor carriers receive subsidies from the government in the form of facilities which the railroads are required to pay for, there is that lack of fair treatment which is essential to equality of opportunity. It should be borne in mind that every user of transportation should be permitted to select that form of transportation best suited to his needs and which is most economical. In making this statement, however, all factors should be taken into consideration, whether they are direct out-of-pocket expenditures or whether they are in the form of expenses borne by the taxpayer.

The inquiry which we are here discussing seems to assume that at present there are differences in the treatment which the government has accorded to these competing forms of transportation, which differences put the railroads at a great disadvantage. If this is the assumption, it is unquestionably a correct

one. At the present time the rail carriers rest under a burden of minute regulation which has been the outgrowth of nearly fifty years of experience with regulating agencies, while motor vehicles, so far as their interstate operations are concerned, are not regulated at all, and transport upon the waterway is regulated by the Department of Commerce only to a limited extent.

It is obvious that there can be no equality of treatment unless all these agencies are equally regulated, equally taxed, and given equal treatment in the matter of being required to furnish their own facilities. If it be unreasonable to require highway and waterway transport to construct highways of their own, certainly they should make such a contribution to the expense thereof as will put them on an equality with the railroads in this respect.

It may be beyond the scope of the federal government to deal with the question of taxation and the question of contributions which highway users should make to the cost of highways. But the federal government is concerned with regulation, and it is concerned as well with the question of the cost of water transportation and the amount of money which the federal government has expended and must expend in order to furnish navigable streams for the use of those who operate boats thereon.

It is quite usual for those who oppose equality of treatment among these various forms of transportation to say that of course they want to be fair and that they believe in equality of opportunity in so far as the conditions of each industry will permit. We submit, however, in the light of the facts presented in various documents to which we have referred and the exhibits attached hereto, that there is at the present time such similarity of conditions as requires equality of regulation, of taxation, and of treatment generally.

We have heretofore indicated, and we here now reiterate, that equality of opportunity can not be obtained unless all these important agencies of transportation are regulated in the same fashion and by the same body. We are not insisting that every item of present federal regulation should be applied to water and motor transportation. Neither do we insist that the greater part of present federal regulation should be removed from the railroads and not applied to other agencies. It may be that there can be some relaxation of present federal regulation. We do say, however, that whatever forms of regulation are applied to railroads should be applied in the same degree to motor and water transportation.

These forms of transportation are all highly competitive; each in handling, as we have shown, a very considerable part of the traffic of the country; and, with respect to regulation, no reason can be given why there should be difference of treatment.

It is perfectly clear to us that the same regulating agency which controls the affairs of the railroads should control as well the affairs of the competitors of the railroads. In no other way can there be that co-ordination of service which is essential to a well rounded and complete system of transportation. If one body regulates the railroads' rates and practices while an independent body regulates the rates and practices of other carriers, there can never be that harmony and complete co-ordination of effort which is essential to the welfare of the country.

The Association of Railway Executives is committed to the view that such legislation should be adopted as will make it possible for all agencies of transportation to be co-ordinated in the sense that they should be so regulated and operated that every person who uses transportation shall have the right to select whatever agency will be to him most economical and best suited to his individual needs.

This general statement should be qualified or explained in this way: With respect to economy of operation, it should be borne in mind that there can be no real economy unless all factors of cost are taken into consideration. It cannot be said that a particular form of transportation is most economical to a particular shipper if a part of the cost is borne by the general public in the form of taxation. The carriers contend that motor vehicle transportation and water transportation, as it exists today, are subsidized in that money has been raised by taxation and spent to furnish these agencies of transportation a highway at public expense. On the other hand, the railroads have been required to provide their own rights of way at the expense of their stockholders and bondholders, and they are not the recipients of public favor in the way of subsidies. There can be no real co-ordination until all hidden costs have been brought to the surface, properly appraised and taken into account in determining costs. These agencies should not be kept apart so that some are regulated and others unregulated. They should not be given preferential treatment one over the other by receiving subsidies denied to others. It is essential to any proper co-ordination that equality of treatment should be accorded.

The Association of Railway Executives is on record as favoring the grant of power to the railroads to own and operate motor and water carriers as essential to a complete national system of co-ordinated transportation.

It is not the contention of the association that the railroads should necessarily own all motor and water facilities. No doubt,

there is room in the transportation picture for independently owned and operated motor and water carriers. The railroads have no inclination to monopolize all these agencies of traffic. As we have heretofore pointed out, they should be permitted to operate on the highways and on the waterways under government regulation. Suitably regulated and controlled, they cannot obtain a monopoly unless it be through superior service. The rail carriers are asking no advantage whatever over their competitors. If there is a complete co-ordination of all forms of transportation, undoubtedly privately owned and operated motor and water carriers will continue to serve a useful purpose. It is hoped, too, that under wise legislation and wise regulation all the forms of transportation will be brought into a co-ordinated and co-operative system under which all will be permitted to exist for the performance of that particular function for which each is peculiarly adapted.

P. W. A. Loan Negotiations Progress

WASHINGTON, D. C.

AS the negotiations and "paper work" incident to the making of loans to railroads by the Public Works Administration gradually progress it becomes apparent that a very considerable volume of employment and business is to result from the willingness of many roads to anticipate future requirements and the willingness of the government to finance them on as reasonable terms as the law will permit. Allotments for railroads loans now total \$182,807,500 and many additional applications have been filed, some of which are about ready to be passed upon. Actual negotiation of contracts for the loans has taken time, because of the large number of details involved and the requirement of approval by both the Interstate Commerce Commission and the P. W. A., but the applications to the I. C. C. that are now coming out show that much of the preliminary work has been done on plans for putting thousands of men to work and the placing of orders for many million dollars worth of materials and equipment. In earlier stages of the negotiations it is understood that some railroad men felt that some of the government officials were inclined to attempt to attach too many conditions, but as the conferences have progressed a better understanding has been reached and the settlement of the first contracts are expected to make the next ones easier to handle.

The contract for the Pennsylvania's \$84,000,000 loan had not been signed when this issue of *Railway Age* went to press but negotiations were proceeding satisfactorily.

In addition to allotments already made the P. W. A. has received inquiries from the managements of a number of other roads concerning loans for the purchase of approximately 8,000 more new freight cars, 133 locomotives, 21 passenger cars, 10 suburban trains and 1 gas-electric car.

Allotments of \$6,000,000 for loans to two more railroads were announced on December 15 by Public Works Administrator Harold L. Ickes.

The Boston & Maine was allotted \$5,500,000 to be used for reconditioning locomotives, freight cars, passenger cars and buildings, and for the purchase of new equipment and maintenance of way and structures. The Central of Georgia (receiver) was allotted \$500,000 with which to purchase 200 new coal cars.

The Boston & Maine will spend approximately \$1,100,000 of its allotment to provide additional winter employment for shop employees in repairing locomotives, freight cars, passenger cars and buildings. It is estimated that 464,571 man-hours of direct work will

be created in Massachusetts and New Hampshire on the winter repair work alone. The balance of the allotment will be used for maintenance of way and structures and purchasing new equipment. The equipment is estimated to cost \$2,000,000 and the maintenance work \$2,400,000. Most of the money will be spent by June 1, 1934, to create employment on the right of way of the Boston & Maine and in the equipment manufacturing plants.

Approximately two-thirds of the \$2,215,000 to be spent for maintenance work will go to pay labor directly and the remainder will create indirect and industrial employment through purchase of materials and supplies. Work will get under way as soon as weather conditions in New England permit, and it is estimated that 2,101,000 man-hours of direct employment will result from the maintenance work alone. Estimates of the number of man-hours of work to be provided by fabricating materials and assembling the equipment to be purchased by the Boston & Maine have not been compiled. It was calculated that construction of the cars for the Central of Georgia would provide 580,000 man-hours of direct and indirect employment prior to August.

Equipment trust notes bearing 4 per cent interest will be the security for the loan to the Central of Georgia and for that part of the loan to the Boston & Maine that is used for purchasing new equipment. That part of the Boston & Maine loan which is used for equipment repairing and maintenance work will be covered by adequate security, and will also bear 4 per cent interest. No interest will be charged for the first year upon any part of either loan.

Both allotments were made subject to obtaining the requisite approval of the Interstate Commerce Commission and consummation within a reasonably short time of contracts satisfactory to the Public Works Administration.

The Illinois Central has applied to the Interstate Commerce Commission for authority for a loan of \$10,000,000 from the P. W. A., allotment of which had not been announced, including \$1,437,145 for rails, fastenings and changes in ties and signals, \$1,252,000 for renewal of bridges, and \$7,310,855 for repairs to equipment. It offered as collateral \$10,000,000 of a new issue of equipment mortgage bonds of 1933. The application stated that of the amount \$2,961,073 would go for labor, giving employment to 2,810 men for 200 days, and \$7,038,073 for materials. The work to be done includes renewal of 123 miles of line with 112-pound rail, with the necessary fastenings, and installment of 65,000 ties; renewal of the Big Clifty viaduct, \$167,000; work on the Cairo bridge, \$870,000; relining tunnel near Reevesville, Ill., \$215,000; repairs to 16,015 freight cars, \$6,210,555; and repairs to 228 passenger cars, \$1,100,000. The application describes the financing plan as calling for no payment on principal for two years but the amount would be amortized over the succeeding eight years from the date of each advance.

The receivers of the Wabash have applied to the Interstate Commerce Commission for authority for a loan of \$1,489,803 from the P. W. A., secured by receivers' notes, including \$374,800 for 6,000 tons of 110-pound rail and 4,000 tons of 112-pound rail; \$198,706 for track fastenings, and \$916,297 for equipment rehabilitation.

The Interstate Commerce Commission on December 18 announced its first approval of a loan from the P. W. A. for the purchase of rails, under the allotment of \$51,000,000 for rails and fastenings announced by the P. W. A. on November 2. The commission approved the application of the Chicago, Milwaukee, St.

Paul & Pacific for a loan of \$1,818,750 for 50,000 tons of rails.

The government procedure requires in addition to the application to the P. W. A., which must be accompanied by voluminous exhibits, three applications to the Interstate Commerce Commission, one for approval of the expenditure, one for authority to borrow from the P. W. A. and one for authority to issue securities as collateral.

The Commission's report approving the Milwaukee application includes the following:

If the loan from the Public Works Administration for which the carrier has applied be granted, it will be evidenced by a promissory note or notes drawn in favor of the government of the United States, without interest for the first year and bearing interest at the rate of 4 per cent per annum for the succeeding nine years. The proceeds of the loan will be applied to the purchase of steel rail at the price of \$36.375 per gross ton, which will be laid on its railroad in renewal of that requiring replacement. The applicant represents that the proposed loan, for the period of time and at the rate of interest specified, affords more favorable terms than can be obtained otherwise or elsewhere, and that the price per ton specified is the most favorable price obtainable. A further application for an additional loan from the Government, with which to purchase rail fastenings, tie-plates, and track accessories necessary for the laying of the new rails will be filed, the applicant states, when the price to be paid therefor shall have been determined.

The amount of new rail purchased for replacements is generally governed, during normal times, by the need for renewals, and is influenced by the amount of money available for that purpose. The applicant's statement of renewals indicates a need of additional rail. Rail wear, generally speaking, is governed by the amount of traffic passing over it, being greater or less for the same amount of traffic in different localities according to the amount of curvature and grade. For the same road or system, traffic conditions over a period of years may be accepted as a fair index of rail requirements. While the figures given for the years 1930 to 1932, inclusive, show a shortage of 85,500 tons in the applicant's normal replacements, there has been a decrease of approximately 26 per cent in traffic for these years. If the carrier's requirements be estimated on this basis, the shortage in rail replacements would be approximately 45,000 tons. Since in periods of depression railroad tracks usually are under-maintained, which has a detrimental effect on the rail, and that appears now to be the situation in the case of the applicant, its estimate of 50,000 tons for its present needs appears to be reasonable.

Upon the facts presented we approve, as desirable for the improvement of transportation facilities, railroad maintenance to be applied to the property of the Chicago, Milwaukee, St. Paul & Pacific, as proposed in the application and described in this report.

The application of the Lehigh Valley to the Interstate Commerce Commission for approval of the expenditure of \$2,000,000 which it proposes to borrow from the P. W. A. states that it is proposed to give Class 2, 3 and 4 repairs to 60 locomotives at an estimated cost of \$515,848, heavy repairs to 1,000 coal cars at a cost of \$650,151, and rebuild 1,000 box cars at a cost of \$1,034,000, a total of \$2,199,999. As collateral for its notes to the P. W. A. it offered \$3,410,000 of first mortgage bonds of subsidiary companies. The P. W. A. had announced allotment of the amount.

The Northern Pacific has applied to the Interstate Commerce Commission for the necessary authority for its loan of \$1,250,000 which had been allotted by the P. W. A., for the purchase of ten passenger locomotives for which it had received bids at approximately \$122,000 each.

The Chesapeake & Ohio, which was allotted \$18,065,000, has asked bids on 800 fifty-ton box cars, 4,500 sixty-ton self-cleaning hopper cars and 2,500 fifty-ton flat gondola cars. The New York, Chicago & St. Louis, which was allotted \$5,028,500, has asked bids on 15 freight locomotives, 5 switching locomotives, 500 fifty-ton box cars, 500 fifty-ton low-type gondola cars, 175 forty-ton stock cars, 25 fifty-ton all-steel flat cars, and 20 tenders of 19,000 gallons capacity.

Motor Transport Section

Some Questions and Answers on Storedoor Service

Issues raised by eastern lines' adoption of pick-up and delivery discussed on basis of experience

INTEREST in the provision of storedoor pick-up and delivery service has been stimulated to an unusual intensity during recent weeks by the action of the Pennsylvania, the Erie and the Grand Trunk Western in proposing and placing in service the initial service of this sort to be established by eastern lines, and by the vigorous objection to the proposals of these roads made by other carriers in the same territory before the Interstate Commerce Commission. The tariffs of the Pennsylvania, the Erie and the Grand Trunk Western and the probable outcome in terms of traffic to be derived from their use have been argued pro and con, both publicly and in private, in railroad circles and elsewhere. The question of whether railroads should offer free collection and delivery service for l.c.l. freight and the extent to which they may expect to gain or lose thereby has come into unprecedented prominence, giving rise to the belief that, after some years of discussion, it is at last likely to be settled permanently by the action of a large number of roads in either adopting it or definitely declining to do so.

In objecting to the Pennsylvania, the Erie and the Grand Trunk Western tariffs, the other roads operating in the same territory denied vigorously that railroad-operated pick-up and delivery service is essential to the railroads remaining in any kind of competitive position with respect to the movement of l.c.l. freight traffic, and declared that the provision of such service would be ineffective in overcoming truck competition while saddling a prohibitive extra expense upon the l.c.l. traffic still remaining on the rails. These charges raise questions which go to the very root of the matter and bring into prominence the considerations which have to be given weight in the decision of the management of any railway as to whether it should adopt the auxiliary to railway transportation represented by storedoor collection and delivery service.

Some Timely Questions

These are some of the specific questions raised during the discussion of the Pennsylvania, the Erie and the Grand Trunk Western tariffs: Do shippers desire railroad collection and delivery service merely as a means whereby they can effect some reduction in their freight charges, or do they really want storedoor service because of its convenience and the improvement which it makes in the character of the transportation furnished to their shipments by the railways? Is storedoor collection and delivery service actually capable of helping to get freight traffic back on the rails? Should there be a mileage limit in the pick-up and delivery tariffs of railways, free

collection and delivery service being given upon freight moving within this limit and an extra charge being made for collection and delivery of freight moving greater distances? In cases where railways have provided pick-up and delivery service, what have been the results in terms of increased traffic? Has the provision of pick-up and delivery service been prohibitively expensive? Finally, what is the attitude of shippers toward the pick-up and delivery service which has already been provided by various railways?

In order to throw some light on these questions, the *Railway Age* submitted them to four railways which have been prominent in the use of collection and delivery service as a means of coping with truck competition and with new conditions in merchandise freight transportation, and which have had sufficient experience along these lines to give weight to their conclusions. The questions submitted to them and the answers received follow. In the solicitation of frank answers to the questions, it was agreed that the names of the railways concerned would be held confidential, and this has been done.

Is Service Desired and Necessary?

Q 1. What evidence is there that shippers want storedoor collection and delivery furnished by the railroad or its subsidiary? How important is pick-up and delivery service in getting traffic back on the rails?

"I think the question of what evidence there is of shippers desiring storedoor pick-up and delivery furnished by railroads is best answered by articles which you have already published in the *Railway Age*."

"Storedoor collection and delivery service provided by the trucks has been a big factor in enabling motor trucks to take traffic away from the railroads. The volume of l.c.l. freight of the railways in the past few years has shown a steady and continued decline, almost reaching the vanishing point in many places. Many railway stations have been abandoned. Approximately 50 per cent of the l.c.l. merchandise freight has been diverted to trucks. Under present conditions, without combination truck and rail door-to-door service, the shipper is obliged to arrange for the transportation of his goods from his place of business to the railroad's freight station and for the road-haul transportation service upon the part of the rail carrier. The consignee, in turn, or the shipper, is obliged to arrange for the transportation from the railroad station at destination to the consignee's store door. The storedoor collection and delivery plan avoids much detail and attendant delay. The shipper is obliged only to do business with the railroad for the complete service. This service is a public convenience and a natural com-

plement of a transportation service which is never complete until the delivery is made. Shippers feel that the railroads should make it as easy as possible to do business with them, that the railroads have delayed door-to-door service too long and that this delay is partially responsible for the kind of cut-throat competition with which the railroads are confronted today."

"The inauguration of pick-up and delivery service by this company has resulted in the recapture of a large volume of tonnage which had been lost to trucks. This fact furnishes substantial evidence that shippers want store-door collection and delivery service furnished by the railroad or its subsidiary. While pick-up and/or delivery service is demanded and is necessary in the recapture of tonnage, that service alone will not be sufficient to satisfy the shipping public. It must be coupled with overnight service from distributing points."

"The loss by the railroads of l.c.l. traffic to truck carriers offering store-door service is conclusive evidence that the store-door service is desired by shippers. The return of a substantial portion of this traffic to the railroads in cases where railroads have established store-door service is equally conclusive evidence that such service by the railroads is desired. Store-door service is desired by the shipper by whatever means; but the shipper would prefer to have it from the railroads because railroads are more reliable than the general run of truck operators and because railroads serving many points usually, with one pick-up truck, can accept at the shipper's warehouse all of the shipments for all points; while, if truck carriers were used, more than likely the shipper would have to call on several different truck lines in order to dispose of all shipments for all destinations, thus adding to the congestion at his shipping platform. Pick-up and delivery service is indispensable to the recovery by the railroads of traffic which they have lost to the truck lines. The present-day shipper and receiver of freight demands a complete service with the least possible annoyance to himself. Unless he can get complete store-door-to-store-door service from the railroad, it is inevitable that he is going to forward his traffic by truck."

What Mileage Limit on Free Service?

2. Should there be a mileage limit on free pick-up and delivery; if so, what?

"It seems to be the general opinion among railroad men that there should be some mileage limit for rates which include free pick-up and delivery service, but the views as to just what limit should be established are varied. When we commenced our store-door service, the limit was fixed at 150 miles. Our people still feel that this is about the proper limit, although it may be necessary to make exceptions between points for somewhat longer distances where the highway competition is very severe."

"The operating radius of the trucks has constantly increased, and truck quantities have been rapidly displacing carload quantities between all important stations in our territory. There has also been a tremendous increase in long distance trucking. Months of preliminary study preceded our inauguration of store-door pick-up and delivery service. It was established in an effort toward traffic recovery. It is being operated, subject to some exceptions, to meet the door-to-door service provided by the trucks. This service is without extra charge between points within our territory at the regular station-to-station rates for l.c.l. moving from origins to destinations within 300 miles of the shipping point, computed via the shortest rail route. We are still in the experimental stage and the service is being provided beyond the free zone at

a charge of 10 cents per 100 lb., in addition to the published station-to-station rate. We do not yet know to what extent present losses will become permanent, nor to what extent further losses will be inevitable. It is appreciated that shippers and receivers generally are demanding that the carriers disregard distance and remove all restrictions against railroad movements. We are not unmindful of the attitude of shippers, but it is too early to judge whether this can be done economically or whether the expense would be prohibitive."

"Our experience leads us to believe that there should be no mileage limit on the free service. The distributor of l.c.l. traffic usually ships long-haul merchandise as well as short-haul, and for the railroads to make a distinction between the two classes of traffic is annoying to the shipper and fosters a more favorable feeling for the truck lines. On our intrastate traffic, there is no mileage limitation to the free pick-up and delivery service. It is our view that the railroad or its subsidiary should perform all of the transportation from the loading dock of the shipper to the door of the consignee, thereby completely meeting the service of the competing agency, the motor truck."

What Results from Providing Service?

3. What has been the result of provision of pick-up and delivery service (1) on the volume of freight handled; (2) on the cost of handling the business; and (3) upon the attitude of shippers toward railway transportation?

"Our l.c.l. tonnage moving between pick-up and delivery points practically doubled within a year's time from the start of the service, and although we feel certain that a large part of the increase is due to the new service, some of it undoubtedly was a result of improved business conditions. The cost of handling the business through the freight houses has not changed materially, but the terminal expense has been increased by the amount paid to the truckmen for picking up and delivering the freight. The change in the attitude of the shippers toward the railroads has been very noticeable. While formerly they were fast becoming truck-minded, we now find they are becoming more railroad-conscious. They tell us, and are apparently sincere, that if they can secure door-to-door service, the railroad, as the older transportation medium and one which is generally more reliable, will be given preference over the highway motor truck. Pick-up and delivery service has undoubtedly placed a substantial amount of merchandise traffic back on the rails, but we feel that this is about the principal issue. If store-door pick-up and delivery service had not been established, it is practically certain that more and more of the rail traffic would have been lost to the highway. In other words, with the advent of the truck, industries began to receive door-to-door service through one transportation agency. As long as they could not secure this complete service from the railroad, they began to drift to the highway service, even though it was more expensive to them in the end. There is no prohibitive expense, in our judgment, involved in this pick-up and delivery service, and we feel that the change is not only desirable but is necessary to meet modern transportation conditions."

"It is not possible to allocate accurately the loss in either tonnage or revenues of the rail carriers resulting from the competition of other forms of transportation as distinguished from that resulting from the fluctuations in general business. However, from an analysis of the statistics covering the classified tonnage, together with our general knowledge of the situation, we can differentiate in large measure as between the two kinds of losses. As indicative of the increases and decreases in merchandise tonnage handled prior to and subsequent

to the establishment of the collection and delivery service, the following comparisons are given:

Merchandise Tonnage Handled at Collection and Delivery Stations

		Percentage
December, 1932	(Forwarded and Received)	30.7 dec.
February, 1933	" " "	33.3 "
March, 1933	" " "	20.2 "
April, 1933	" " "	3.9 "
May, 1933	(Forwarded)	16.1 inc.
May, 1933	(Received)	17.4 "
June, 1933	(Forwarded)	23.0 "
June, 1933	(Received)	22.1 "
July, 1933	(Forwarded)	41.4 "
July, 1933	(Received)	34.8 "

"It will be noted that the decrease of 30.7 per cent in December, 1932, was reduced to a decrease of 3.9 per cent in April, 1933, the collection and delivery service having become effective on March 15, 1933, with increases ranging from 16.1 per cent, on the forwarded basis, in May, to 34.8 per cent, on a received basis, in July, 1933. Some of our representatives estimate that at least 50 per cent of their traffic increases have been due to the collection and delivery service. Others doubt whether there would have been any increases at all without the added stimulus of the collection and delivery service. The known traffic recovery has far exceeded the added expense of providing the storedoor collection and delivery service. There is a growing demand for universal adoption of door-to-door service, with modern, safe, convenient and speedy transportation. There has been a ready response from shippers and receivers everywhere to the increased speed of the truck and to the door-to-door service provided by the truck. There is a feeling upon the part of many shippers who have been favoring both the railroads and the trucks that the economic situation will never be what it should be until the return of the railroads to a condition of virtual prosperity. The railroads, therefore, are enjoying the good wishes of the shippers that they may again prosper. The traditional station-to-station service provided by the railroads, however, will not be sufficient to recover the needed traffic. The shippers expect the railroads to make their own effort toward traffic recovery. Shippers not only want collection and delivery service; they practically demand it. They prefer the greater dependability and protection afforded by rail transportation, but they expect the railroads to provide the accommodations to which they have become accustomed through the use of motor vehicles."

"We have experienced a steady increase in traffic, especially on intrastate tonnage where the pick-up and delivery service is unrestricted as to distance. Our results would be more satisfactory, with respect to interstate traffic, if the present limit of 300 miles on the free pick-up and delivery service were removed. The cost of performing pick-up and delivery service approximates

15.5 per cent of the gross revenue. It has been our observation and experience that where rail service, including rates, pick-up and delivery service and road service, is equal to that of trucks or other competing kinds of transportation, the shipping public prefers to favor the rail lines."

"Pick-up and delivery service has resulted in the return to the railroad of a very large volume of traffic which had been lost by the railroad to the trucks. This recovery has been such that the amount of l.c.l. freight now being handled substantially exceeds the amount which was being handled several years ago, and this increase has been accomplished in spite of the depression which has resulted in substantial decreases in all traffic. In some cases the pick-up and delivery service is being provided at rates in excess of the railroad's station-to-station rates. Where this is true, and if the excess rate is sufficient to cover the cost of the pick-up and delivery service, there has been, of course, no reduction in the net after paying expenses. On the other hand, many storedoor rates made to meet truck competition are no higher than the railroad station-to-station rates, and in those cases, of course, the cost of the service is increased by the amount of the cost of pick-up and delivery. The establishment of storedoor pick-up and delivery service has resulted in a very definite return of shippers from truck to rail transportation."

Desert Coach Shipped by Marmon-Herrington

A SPECIALLY-DESIGNED motor coach for service across the Syrian Desert between Damascus and Baghdad was recently shipped to the Near East by the Marmon-Herrington Company, Indianapolis, Ind. Purchased by the Nairn Transport Company, the 36-passenger, tractor-trailer type vehicle will accommodate 36 passengers and a large quantity of baggage.

The coach unit, consisting of a Marmon-Herrington six-wheel drive truck-tractor with a Hercules Diesel engine, and a semi-trailer bus, was subjected to numerous tests to prove its economy and performance before shipment overseas. Although the entire unit is 68 ft. 4 in. in overall length and weighs more than 20 tons, a speed of as high as 60 miles per hour was attained in a test trip from Cleveland, Ohio, to Indianapolis, while fuel consumption is said to have averaged more than 7 miles to the gallon of fuel oil with the bus partly filled with passengers.

The Hercules engine has six cylinders and is of the



Marmon-Herrington "Desert Caravan Coach" Shipped for Service across Syrian Desert between Damascus and Baghdad

solid-injection, high-compression type. The engine has a 5-in. bore and a 6-in. stroke and is constructed to operate up to 2,000 r.p.m. The engine will develop 100 hp. at 1,000 r.p.m., 177 hp. at 1,800 r.p.m. and 188 hp. at 2,000 r.p.m. The standard and auxiliary transmissions of the six-wheel drive truck-tractor give a total of 12 speeds forward and 3 reverse. Westinghouse air brakes are employed.

The all-metal body for the trailer bus was constructed by the Bender Body Company, Cleveland, Ohio. The passenger compartment is divided into two parts, that at the forward end of the coach having four rows of double seats and four rows of single seats with 45-in. back-to-back spacing. The compartment at the rear of the coach, the floor level of which is slightly higher than that forward, has three rows of double seats on one side and four rows of double seats on the other, with a cross seat extending the full width at the rear to accommodate five passengers. The rear of the coach is of a fish-tail design with a dust-proof compartment for 2,000 lb. of baggage. There is a similar baggage compartment at the front of the coach as well as large luggage shelves throughout, providing accommodation for a total of 6,400 lb. of baggage. Just back of the front baggage compartment is a bulkhead in which are carried two spare wheels and tires, and back of this bulkhead is a complete buffet 3 ft. deep with a sliding door extending across the full width of the coach. Just ahead of the rear wheel housing is a complete toilet compartment with a collapsible washstand. Card tables and other conveniences are provided, and there is a telephone system for communication between the buffet compartment and the driver's cab. The entire coach is insulated to withstand desert temperatures, which frequently exceed 120 deg.

The Nairn Transport Company, which will operate the new Marmon-Herrington desert coach, carries on a passenger and freight service by bus and truck between the cities of Damascus and Baghdad and connecting such other points as Jebel Tenf, Rutbah Fort and Ramadi. The new coach will make two round trips per week over the 700-mile route, and less than 24 hr. will be required to complete its schedule.

White Offers New Trucks

TWO new six-cylinder trucks, rated at 8,000 lb. to 11,000 lb. gross, have been placed on the market by the White Company, Cleveland, Ohio. Designated as Models 701 and 702, the new trucks have among their features a new six-cylinder engine of White design and construction, which develops 75 hp.; four-wheel, automatically equalized, power-assisted hydraulic brakes, and



One of the New White Trucks

a chassis arrangement which permits a greater payload space on a shorter wheelbase. The new models are available on two wheelbases, 132 in. and 156 in.

The engine, which is of the L-head type, has a piston displacement of 240 cu. in., and provision is made for full pressure lubrication to main bearings, connecting rod bearings and wrist pins. Screwed-in type exhaust valve seats are employed, as are plated cast iron pistons, and both the main and connecting rod bearings are steel-backed. The clutch is of the single plate dry type, and a four-speed transmission is employed. The rear axle is a new full floating type, with straddle-mounted pinion in the center.

The arrangement whereby more of the load is thrown on the front axle than is ordinarily the case is said to be an important feature of these models. Giving better weight distribution on the tires, this is obtained by placing the engine in a recessed dash, allowing the cab to be placed farther ahead than on a conventional chassis.

Odds and Ends...

Record Migration

Twelve ducks recently set what is believed to have been a record for speedy migration, having flown from San Francisco, Cal., to New York, between one evening and the next. They did not travel, however, under their own power. Neatly packed in ice, they were put aboard a Railway Express plane of the United Air Lines at 7:20 p. m. and completed their 2,726-mile flight to New York in time to reach the dinner table of their consignee the following evening.

Railway Art Show

There were more than 500 entries, a record number, in the seventh annual Arts and Crafts Exhibition sponsored by the Great Western Railway of England last month. Entries were received from all parts of the system and from all grades of employees, including porters, policemen, signalmen, station masters, tinsmiths, enginemen and superintendents. An exhibit of water colors in miniature, the smallest being one-thirtieth of the size of a postage stamp, was entered by a railway porter. A freight checker, who won the award of honor at the last exhibition, submitted a series of sketches of old buildings in Chester, while a dock-gateman at Cardiff exhibited a number of animal studies. One unique exhibit was the display of brass and copper work by the sheet metal workers of Swindon, while an even more unusual feature was the number of entries received in the Knitting Class from a crossing watchman at Grange Court. Previous exhibitions sponsored by the Great Western have revealed considerable hidden talent, and the latest exhibition was expected to be no exception to this rule.

Coincidence

This story is a year old, but still good. Last winter, 16 prisoners made their escape from a prison camp six miles north of Montgomery, Ala. Soon the manhunt was on, with all available guards from the prisons at Montgomery and Speigener, Ala., participating. Three of the convicts made their way to the Alabama river near Montgomery, swam across it, crept into the nearby L. & N. yards and concealed themselves in an empty box car in a northbound train. The escaped men sighed with relief when the train started, for they believed themselves bound for the North and freedom. Unfortunately, however, they were the hapless victims of one of those unexplainable coincidences. They could not possibly have picked a worse box car in which to hide themselves, for, when the train reached Speigener, 16 miles north of Montgomery, their car was set off in the cotton mill yards of Speigener prison to be loaded on the following day. When the car was opened, it was a question as to who were the more surprised, the prison guards or the escaped convict passengers, but the guards were quicker to recover, and the dirty and half-frozen prisoners were soon on their way back to the prison camp from which they had escaped.

NEWS

Short Lines Give Views on Transport Legislation

Brief filed with co-ordinator urges equal regulation for all competing carriers

"All competitive transportation agencies should be so regulated by the same administrative tribunal as to accord equality of opportunity" says the American Short Line Railroad Association in a brief filed with the Federal Co-ordinator of Transportation by W. L. White, president, and C. A. Miller, general counsel. The Association urges that all competitive transportation agencies should be regulated by the federal government, through the Interstate Commerce Commission. Otherwise, it says, "There can be no such complete system of regulation of transportation agencies as will accord each of them an equal opportunity." Its view is that divided regulatory authority would result in each regulatory tribunal promoting the interests of the transportation agency regulated.

Stressing the need for federal regulation of both common and contract motor vehicle carriers engaged in interstate commerce, the association says that the short lines have suffered greater proportionate losses from this unregulated competition than have the larger roads, chiefly because of the shortness of their haul, which makes it impossible for them to recoup on long haul traffic the revenue lost by the diversion of their short haul traffic to the highways. It is the view of the association that motor vehicles should be used as "feeders" for the railroads. Striking at subsidies granted both motor and inland waterway carriers, the association says each transportation agency should be required to furnish its own facilities or make a suitable contribution toward the expense of the facilities furnished them.

The association is opposed to any legislation the effect of which would be to forbid the ownership of railroads by industries.

Addressing itself to the inquiry of the co-ordinator as to whether the present commodities clause should be modified to forbid by specific enactment the ownership of railroads by industries, the association says "there is no presently existing evil corrupting mankind that can be cured by prohibiting industries to own railroads." Pointing out that the mother of the industrially-owned railroads is necessity, it is stated that they are economically sound and a necessary part of the Nation's transportation system. Any abuses in which industries might seek to

indulge through the ownership of railroads may be remedied by the Interstate Commerce Commission, making prohibition of such ownership unnecessary in view of the association. Doubt is expressed as to the power of Congress to enact such legislation.

Signal Section Meets March 12

The Signal Section of the American Railway Association will hold its fortieth annual meeting at the Stevens Hotel, Chicago, on Monday and Tuesday, March 12 and 13, 1934.

Western Roads Establish 1.8 Cent Coach Rate

A round-trip passenger fare of 1.8 cents per mile each way, in coaches, will be established by all western and southwestern railways on January 2, 1934, the one-way rate to be, as heretofore announced, 2 cents a mile. The round-trip rate of 1.8 cents will have a 10-day return limit.

New England Governors Ask Probe of P. R. R. New England Interests

Governors of the six New England states have filed with the Interstate Commerce Commission a complaint asking it to investigate the holding by the Pennsylvania and the Pennroad Corporation of stock in the Boston & Maine and the New York, New Haven & Hartford with a view to restricting their power to vote the stock.

L. & N. Passenger Revenues Continue Upward

Advance figures on passenger revenues of the Louisville & Nashville for the month of October indicate that there was an increase of approximately 19 per cent over October, 1932. This is the second consecutive month since the low rates have been in effect, in which passenger revenues have exceeded those for corresponding months of the preceding year.

Cowlitz River Bridge in Washington Collapses

A steel draw-span crossing the Cowlitz river on the Longview, Portland & Northern at Longview, Wash., collapsed on December 13, when the center pier and protecting work for the span were washed out by very high water. The roadbed was also washed out for about 1,000 feet. This line, extending from Longview junction to Vader Junction, 23 miles, was purchased by the Great Northern, the Northern Pacific, the Oregon-Washington Railroad & Navigation Company and the Chicago, Milwaukee, St. Paul & Pacific in July, 1931. It parallels the tracks of the Northern Pacific between these two points.

New Inquiry on Store-Door Services in the Southwest

I. C. C. orders further hearing as to operations inaugurated on March 29, 1932

The Interstate Commerce Commission has set for further hearing its proceeding of investigation as to the free pick-up and delivery service by truck established on March 29, 1932, by the St. Louis Southwestern and followed later by the Chicago, Rock Island & Pacific, the Missouri Pacific, and other roads, on the ground that the questions as to whether the practices are in violation of the law or are consistent with honest, efficient, and economical management are not susceptible of definite ascertainment on the present record. The commission has discontinued its suspension proceedings as to two small tariff supplements purporting to correct certain features of the original tariff, which were the occasion for the new report on the subject, but holds that proof is necessary to a finding under its order of investigation as to costs of the service, and the amount of traffic obtained. These are now susceptible of definite ascertainment, the report says, since the services have been available to shippers for a period of several months.

The commission's investigation was ordered on June 6, 1932, upon petition of the Rock Island, the Missouri Pacific, and the St. Louis-San Francisco, which had protested against the Cotton Belt tariff. On March 29, 1932, it had established rules with respect to switching and terminal service applicable on traffic on which it receives a line haul, which, among other things, provide for free drayage or trucking within specified terminals on carload freight, not in bulk, and on less-than-carload freight aggregating 6,000 pounds or more. In June, 1932, the Rock Island and Missouri Pacific met this competition by similar arrangements and the Texas & Pacific did likewise at Texarkana.

"There is grave doubt," the report says, "as to whether the traffic gained by this new arrangement is sufficient to pay the expense of maintaining the service. As stated above, protestants have established similar services in the general territory here considered. Their position is that they were forced to establish the service, that it is expensive, does not add enough traffic to pay for its maintenance, and that it is not so policed as to prevent discriminations in violation of the act. Respondent has failed to earn its fixed charges since 1929. Respondent and four of the carrier protestants have borrowed more than \$68,000,000 of public funds."

Asks Truck Code Trial in Lieu of Regulation

American Trucking Associations, Inc., gives its views in statement filed with Eastman

The view that no regulation of motor truck transportation should be attempted by the federal government until the proposed N. R. A. code of fair competition for the trucking industry has been given a fair trial was expressed in a statement filed with Joseph B. Eastman, federal co-ordinator of transportation, by the American Trucking Associations, Inc., in reply to his questionnaire on transportation legislation. A reasonable period of time should be allowed "to develop sufficient experience and useful data on which to base intelligent and reasonable regulation" to cover such transportation, the association's reply states.

The questionnaire of the co-ordinator has elicited replies from many thousands of interested shipper and trade associations, organizations of transportation agencies, boards of trade, chambers of commerce and individuals.

The railroads are accused in the trucking association's statement of indulging in "cut-throat competition" by reducing their own rates to a non-compensatory point below truck rates on the theory of meeting truck competition, whereas it contends that "railroads should not be allowed to quote any rate, on short or long notice, either for line haul or pick-up and delivery service, or both, that is not remunerative, based upon a reasonable cost of the service rendered."

In reply to the question whether railroads should undertake co-ordination of all agencies of transportation, the truckers state:

"Railroads should not be given any exclusive right to undertake such co-ordination and to perform all service under their own auspices. Not only would the granting of such right to railroads work injustice on the independent operators who have built up their service through its pioneering stages over a period of years, but it would also take from the transportation service rendered by the trucking industry all that personal service and attention that has made it so useful and beneficial to the shipping public. Where co-ordination is either desirable or necessary in the public interest it should not be effected by the railroads exclusively but through co-operative effort of rail and independent motor transport operators, preserving for existing transportation agencies the opportunity to survive or continue according to their abilities to serve. Such co-ordination as might be effected through joint rates should provide that all parties participating in such rates are treated justly and fairly in their apportionment."

"Those who use the public highways for commercial purposes should bear their proportionate share of the cost of any added thickness or width of highways required by the operation thereon of such commercial vehicles, but we do insist that full recognition should be given to the fact that much of this added thickness and width is re-

quired by the operation of passenger motor cars at high speeds, most of which are put to commercial use at one time or another, and also that such construction is necessary to resist frost or extreme heat and for national defense."

Committee to Consider Distribution of Express Agency Earnings

The Eastern Presidents' Conference, at a meeting in New York on December 15, appointed a committee "to handle a difference of opinion that has developed in connection with the distribution of earnings of the Railway Express Agency, Inc." In addition to this a number of routine matters were handled, including the approval of the 1934 budget and the presentation of the regular monthly report of the Bureau of Information, Eastern Railways.

Central Vermont Store-Door Service Now Extended

As a result of its participation in tariffs recently published by the Pennsylvania and Grand Trunk Western, the Central Vermont has extended the l.c.l. store-door pick-up and delivery service which it inaugurated on July 4, to include inter-line traffic moving to points on the Atlantic seaboard and the middle west served by the P. R. R. and the Grand Trunk. The C. V., in announcing this extension, stated that the pick-up and delivery service "has proven a decided success in the New England territory served by the Central Vermont."

Berry Rates in South Suspended

The Interstate Commerce Commission has suspended from December 10 until July 10, 1934, the operation of tariff schedules proposing to cancel commodity rates on all kinds of fresh berries when from, to, and between points in Southern territory and to apply in lieu thereof 72 per cent of first class rates on carloads from certain points in the South, (east of the Mississippi river to western Georgia, inclusive), and also to apply a higher classification basis on both carload and l.c.l. traffic from other points in the South and Southeast, which result generally in increases for the entire adjustment.

Illinois Railways Valued at \$492,003,513

The final full valuation of railroad property in Illinois for 1933 has been set at \$492,003,513 by the Illinois Tax Commission. This amount is 11½ per cent below the 1932 figure of \$555,818,606, which in turn was 12½ per cent below the 1931 assessment of \$635,737,247. The tentative valuation was completed on September 11, but, upon application of the railroads which claimed that the financial conditions were such that they were unable to pay taxes on the tentative valuation, a rehearing was granted. According to a statement issued by the chairman of the commission, capitalized earnings, stock and bond values, the 1932 assessment, cost of reproduction less depreciation, value of non-operating property and other items were considered in arriving at the final full valuation.

Conference at Ottawa on Motor Regulation

Truck operators concede necessity for rate control and permits—strict policing urged

Provincial rights in Canada are as much an obstacle as are State rights in the Union to securing any centralized or federal control and regulation of common carriers on the highways but at a conference in Ottawa last week, called by Hon. Robert J. Manion, Dominion Minister of Railways and Canals, representatives of the federal and provincial governments and of commercial organizations got together and after one day's talk unanimously adopted nine resolutions all of which are likely at an early date to be given legislative effect by the provincial legislatures. These aim at the retention of the present form of regulation and control of motor traffic by the provinces but with a considerable extension of that control and the adoption of a greater uniformity in the various features of that control.

The resolutions provide for the following steps in the direction of more effective control and regulation of common carriers using the highways; publication of rates and charges; common carriers should within the rates as published accept and carry what freight is offered them without undue discrimination between customers; common carriers of persons and property should be suitably insured; common carriers should keep accounts and render returns to appropriate public authority as and when required; provincial legislation should be enacted limiting the mileage or hours of labor of operators of passenger vehicles; a standard of fitness should be required of all public vehicles used in the transportation of passengers; operators of public passenger vehicles should require a medical certificate of physical fitness; licenses should only be granted to common carriers of passengers and freight where it can be proved to the satisfaction of the licensing authority that the service proposed is in the public interest; finally, a Dominion-provincial conference, such as that held here today, to discuss transportation matters should be held at least once a year.

In opening the conference, Hon. Dr. Manion recalled that the Duff Commission recommended that the federal and provincial governments, in co-operation, should examine the question of the regulation and taxation of road motor vehicles with a view to equalizing the conditions under which road and rail transport is carried on, and to securing uniformity throughout the Dominion. Dr. Manion was careful to state at the outset that within provincial boundaries these were matters of provincial jurisdiction and there would be no attempt on the part of the Dominion to invade the preserves of the provinces. Any recommendation agreed to at Ottawa could be made effective only in so far as the provincial governments as a whole might give effect to them.

He said the attitude of the motor vehicle operators was reasonably expressed in the

submission of the Automotive Transport Association representing motor truck operators operating for hire in the province of Ontario.

"It realizes," said Dr. Manion, "that the motor truck, in its own sphere, is a most efficient and flexible agency of transport but it also appreciates that when attempting to function beyond its own particular field, it is not an economical means of transportation, and unregulated, may work hardship not only upon its railway competitors and ultimately on the shipping public, but also on the motor truck operators themselves."

The Automotive Transportation Association believes that motor vehicles more than pay their way, so far as the highways are concerned but does not pretend there are no evils concerned with the motor transport business, said Dr. Manion. Speaking for Ontario, it advocated the fixing and filing of freight rates, increased penalties for infractions of the Public Commercial Vehicles Act, a more equitable scale of fees on trucks operating for hire, and that the enforcement of the act should be tightened up all round. It is claimed that the present fees discriminate in favor of the private truck, and thus are unduly favorable to the big chain store systems and unfair to the operator for hire. It contended that the condition of the motor transport business in Ontario was anything but healthy at the present time due to the evils of cut-throat competition, and regarded government fixation of rates and the restriction of licenses as the only solution for the difficulty. Too many licenses had been granted, it was claimed, and the slashing of motor transport rates had affected the railway and express companies, which in turn had found it necessary to slash rates also and institute a door-to-door delivery. This was cited as another argument for some form of government control.

The Railway Association of Canada, representing all steam roads, recommended that the federal and provincial governments, in co-operation, set up a commission representing the interests involved, to develop facts as to the operation of the motor vehicles over the highways, to recommend principles of legislation regarding taxation of highway vehicles and to make suggestions as to the safe use of the highways for the protection of the shipping and traveling public.

The railway association also recommended that the proposed commission should be empowered to investigate costs of short-haul service by railway and highway vehicles, and other conditions under which these two agencies operate, with the object of restricting each transportation agency to its practical and economic field of operation, and thus clear the way for co-ordination of transportation services to the advantage of the country as a whole.

Six principles which should govern in arriving at a solution of the problem were set forth in a memorandum submitted to the conference by the Canadian Manufacturers' Association. They are:

(1)—Every motor vehicle operator should first obtain a certificate of convenience and necessity before being allowed to operate on the highways.

(2)—Rates and charges should be filed with an appropriate public authority of the province.

(3)—Rates or charges thus filed should not be altered without due notice to all concerned and while any given rates are in effect the common highway carriers should accept consignments for delivery without undue discrimination between customers and commodities.

(4)—Each operator should be insured against the major risks of operation.

(5)—Each operator should be required to keep accounts on some prescribed system.

(6)—Each operator should be required to issue a bill of lading for each shipment and the conditions and form of such bill should be uniform throughout the country.

Dealing with the second recommendation the memorandum points out that it would be possible to establish maximum class rates on a uniform basis throughout the provinces, and that all other rates below such maximum be published in tariffs duly filed with a public body in a province. This plan, it is stated, would be similar to that which has obtained in connection with the railways, and it is contended that it would be no hardship for the motor vehicles to submit to the same treatment as is accorded to the steam railways.

After pointing out that the regulations adopted by the various provinces were either inadequate or were not fully enforced, the C.M.A. memorandum concludes by stating:

"We believe that the appropriate public authorities in the various provinces are working towards that end, but, as previously stated, unless the provinces deal more vigorously with the question of enforcement and require each operator to comply fully with the regulations, the issuance of further regulations would seem to be useless."

Campaign Against Trespassing on Trains

At the request of Hary L. Hopkins, federal emergency relief administrator, the railroads, beginning on January 1, will impose stringent restrictions against the "hopping" of freight trains and other methods by which the "transient unemployed" have been using the railroads for free transportation around the country. Mr. Hopkins announced that that date had been set by the railroads in co-operation with a campaign of the relief administration to help the transients to settle down, since by that date it will have established a nation-wide network of about 200 centers for the care of transient unemployed.

Seek Restoration of Burlington Employees' Train

The Brotherhood of Railroad Trainmen has filed a petition with the Illinois Commerce Commission, seeking to force the Chicago, Burlington & Quincy to restore a "work train" between Galesburg, Ill., and the yards three miles away. The train was discontinued on May 22, 1932, and upon the recent re-opening of the shops and employment of additional men in the yards the restoration of the service has been demanded as a convenience to about 500 workmen. In testimony before the

Illinois Commerce Commission on November 29 and on December 13, representatives of the Brotherhood contended that walking or driving over gravel roads from Galesburg to the shops and yards put the employees in peril of life and limb. The railroad contended the service was voluntary and not within the jurisdiction of the commission.

Railroads Lend Tools for CWA Jobs

Railroads in Chicago and vicinity were appealed to on December 10 to loan tools to the Civil Works Administration to enable the administration to place 23,200 men at work on December 13. The program of placing unemployed at work on public works projects in and around Chicago was handicapped by a shortage of 65,000 hand tools, which manufacturers could not furnish on short notice. The seriousness of the tool shortage is emphasized by the fact that the Illinois quota of 231,000 persons could not be put to work by December 15, the deadline set by the federal government, unless the equipment was obtained.

Railway Express Agency to Handle Baggage at New York

The Railway Express Agency has published a tariff, effective January 1, to provide baggage delivery service at railroad terminals and coastwise steamship piers in New York. Under the plan the Express Agency is expected to receive the concession now held by the Baggage Transfer Corporation which was formed a year ago through a merger of the Westcott Express Company and the New York Transfer Company. Prior to the consolidation, the former, which is a subsidiary of the American Express Company, had served Grand Central station while the latter held the concession at Pennsylvania station.

Five Roads in Default on R. F. C. Loans

Chairman Jones of the Reconstruction Finance Corporation has made public a list of the railroads which are in default in interest payments on their loans from the R. F. C., most of them being roads in the hands of receivers or trustees. They are: The Central of Georgia, with loans of \$2,894,000, the Chicago, North Shore & Milwaukee, \$1,150,000, the Missouri Pacific, \$23,134,000, the St. Louis-San Francisco, \$5,190,000, and the Wrightsville & Tennille, \$22,500. The Chicago & Eastern Illinois, with loans of \$5,760,000, and the Chicago, Rock Island & Pacific, with loans of \$13,632,000, have kept up their interest although in the hands of trustees.

Southern Pacific and Brotherhoods Agree on Arbitration

The Southern Pacific management and its brotherhood employees have agreed on the procedure for settling their controversy over working conditions on the lines in Texas and Louisiana. Under the agreement, testimony on three of the 108 points at issue will be heard by President Roosevelt's board that is now in session at Houston, Tex.; five will be heard by the

Southwestern Train Service Board for adjustment; three employees involved in discipline cases will be reinstated without prejudice and the remaining questions will be submitted to arbitration. The method of settlement was proposed by the President's fact-finding board.

Railroad Brotherhoods Oppose Abandonment

Local organizations of the four train service brotherhoods in a brief filed with the Interstate Commerce Commission op-

posing the abandonment by the Duluth, South Shore & Atlantic of its line between Marengo Junction and Superior, Wis., 73 mi., have sought to advance the provisions of the Emergency Transportation Act, 1933, which include restrictions on reductions in railroad employment, as a reason for not permitting the abandonment at this time. If the argument should be sustained the effect would be important, as railroads have this year filed with the commission applications covering the abandonment of over 2,000 mi. of line. In

addition to other arguments against the abandonment application counsel for the brotherhoods assert that the emergency act requires that it should first have the approval of the Regional Co-ordinating Committees and the Federal Co-ordinator, Joseph B. Eastman. It is also contended that the application should not be considered on the basis of past operating losses during a period of depression and that recent legislation in Wisconsin regarding the regulation of motor transportation should be taken into account.

Operating Revenues and Operating Expenses of Class I Steam Railways in the United States *

Compiled from 149 Monthly Reports of Revenues and Expenses Representing 150 Class I Steam Railways

FOR THE MONTH OF OCTOBER, 1933 AND 1932

Item	United States		Eastern District		Southern District		Western District	
	1933	1932	1933	1932	1933	1932	1933	1932
Average number of miles operated	240,374.27	241,693.26	59,381.56	59,683.95	45,618.97	46,009.27	135,373.74	136,000.04
Revenues:								
Freight	\$239,603,318	\$243,988,119	\$97,778,346	\$99,661,238	\$45,438,557	\$46,347,830	\$96,386,415	\$97,979,051
Passenger	29,835,297	26,179,389	17,815,395	16,146,288	3,329,077	2,712,061	8,690,825	7,321,040
Mail	7,621,095	7,804,187	2,990,393	3,125,144	1,329,873	1,296,115	3,300,829	3,382,928
Express	4,436,136	4,872,861	2,266,870	2,097,570	673,761	689,369	1,495,505	2,085,922
All other transportation	6,396,412	6,558,333	3,402,052	3,617,037	602,700	570,591	2,391,660	2,370,705
Incidental	5,868,256	5,253,377	3,179,748	2,943,365	774,690	688,956	1,913,818	1,621,056
Joint facility—Cr.....	808,601	742,171	274,430	244,704	140,310	122,350	393,861	375,117
Joint facility—Dr.....	227,523	223,035	80,751	61,408	20,913	18,488	125,859	143,139
Railway operating revenues	294,341,592	295,175,402	127,626,483	127,773,938	52,268,055	52,408,784	114,447,054	114,992,680
Expenses:								
Maintenance of way and structures	30,961,409	28,971,595	12,791,722	10,816,784	5,488,221	6,246,629	12,681,466	11,908,182
Maintenance of equipment	55,337,597	50,544,039	25,464,056	22,887,074	10,581,211	9,201,890	19,292,330	18,455,075
Traffic	7,231,937	7,423,684	2,810,990	2,776,644	1,309,349	1,365,269	3,111,600	3,281,771
Transportation	97,040,197	97,143,352	44,630,358	44,051,768	15,765,823	15,650,430	36,644,016	37,441,154
Miscellaneous operations	2,159,498	2,078,697	1,098,242	1,005,961	219,410	219,200	841,846	853,536
General	12,209,802	12,295,391	5,327,871	5,215,063	2,061,465	2,125,309	4,820,466	4,955,019
Transportation for investment—Cr.....	246,005	398,993	69,405	191,730	33,910	22,861	142,690	184,402
Railway operating expenses	204,694,437	198,057,765	92,053,834	86,561,564	35,391,569	34,785,866	77,249,034	76,710,335
Net revenue from railway operations	89,647,155	97,117,637	35,572,649	41,212,374	16,876,486	17,622,918	37,198,020	38,282,345
Railway tax accruals.....	21,370,990	23,271,653	9,471,245	10,714,478	3,946,864	3,995,226	7,952,881	8,561,949
Uncollectible railway revenues	112,105	72,236	51,038	26,462	14,880	17,518	46,187	28,256
Railway operating income	68,164,060	73,773,748	26,050,366	30,471,434	12,914,742	13,610,174	29,198,952	29,692,140
Equipment rents—Dr. balance	7,710,401	8,000,087	3,861,367	3,809,996	9,206	d 39,330	3,839,828	4,229,421
Joint facility rent—Dr. balance	3,188,878	2,989,625	1,715,598	1,614,886	351,808	337,607	1,121,472	1,037,132
Net railway operating income	57,264,781	62,784,036	20,473,401	25,046,552	12,553,728	13,311,897	24,237,652	24,425,587
Ratio of expenses to revenues (per cent)....	69.54	67.10	72.13	67.75	67.71	66.37	67.50	66.71

FOR TEN MONTHS ENDED WITH OCTOBER, 1933 AND 1932

Average number of miles operated	240,920.02	241,728.26	59,483.96	59,722.77	45,770.71	46,100.71	135,665.35	135,904.78
Revenues:								
Freight	\$2,091,156,487	\$2,059,798,744	\$891,843,220	\$878,648,393	\$423,047,053	\$394,082,805	\$776,266,214	\$787,067,546
Passenger	275,057,961	322,033,494	164,245,494	192,015,219	32,119,360	36,497,892	78,693,107	93,520,383
Mail	74,820,358	79,757,394	29,369,064	31,600,272	12,867,381	13,465,762	32,583,913	34,691,360
Express	37,288,932	46,052,795	16,470,199	20,699,885	7,064,817	7,633,962	13,753,916	17,718,948
All other transportation	60,476,653	66,262,690	33,495,560	37,953,384	5,379,635	5,368,000	21,601,458	22,941,306
Incidental	48,616,581	53,607,541	26,874,359	30,910,365	6,888,532	7,092,372	14,853,690	15,604,804
Joint facility—Cr.....	6,905,083	7,576,514	2,250,992	2,535,610	1,510,053	1,392,069	3,144,038	3,648,835
Joint facility—Dr.....	1,881,094	2,290,416	531,172	641,566	190,086	185,209	1,159,836	1,463,641
Railway operating revenues	2,592,440,961	2,632,798,756	1,164,017,716	1,193,721,562	488,686,745	465,347,653	939,736,500	973,729,541
Expenses:								
Maintenance of way and structures	273,224,293	303,980,713	109,350,227	121,091,691	53,837,364	59,417,812	110,036,702	123,471,210
Maintenance of equipment	495,496,661	519,118,284	223,183,007	234,013,557	93,962,658	94,889,593	178,350,996	190,215,134
Traffic	71,330,639	81,560,433	26,633,577	31,229,786	13,520,109	15,126,117	31,176,953	35,204,530
Transportation	893,407,978	974,014,036	415,077,334	454,504,528	150,042,453	158,395,662	328,288,191	361,113,846
Miscellaneous operations	19,446,023	23,662,984	9,785,094	11,695,101	2,212,010	2,694,618	7,448,919	9,273,265
General	119,794,622	131,129,341	51,679,593	57,003,757	20,430,771	22,509,562	47,684,258	51,616,022
Transportation for investment—Cr.....	2,287,316	3,657,745	798,658	1,281,048	268,963	260,581	1,219,695	2,116,116
Railway operating expenses	1,870,412,900	2,029,808,046	834,910,174	908,257,372	333,736,402	352,772,783	701,766,324	768,777,891
Net revenue from railway operations	722,028,061	602,990,710	329,107,542	285,464,190	154,950,343	112,574,870	237,970,176	204,951,650
Railway tax accruals.....	221,524,606	240,216,100	92,516,647	101,355,971	52,002,602	43,953,836	87,005,357	94,906,293
Uncollectible railway revenues	894,319	776,371	369,710	307,484	112,373	127,342	412,236	341,545
Railway operating income	499,609,136	361,998,239	236,221,185	183,800,735	112,835,368	68,493,692	150,552,583	109,703,812
Equipment rents—Dr. balance	70,914,326	71,756,597	36,543,106	35,756,111	3,760,653	3,207,766	30,610,567	32,792,720
Joint facility rent—Dr. balance	30,456,152	29,625,163	16,514,478	16,021,926	3,356,070	3,064,287	10,585,604	10,538,950
Net railway operating income	398,238,658	260,616,479	183,163,601	132,022,698	105,718,645	62,221,639	109,356,412	66,372,142
Ratio of expenses to revenues (per cent)....	72.15	77.10	71.73	76.09	68.29	75.81	74.68	78.95

* Excludes switching and terminal companies. Statements prior to January, 1933, included switching and terminal companies.

d Deficit or other reverse items.

Compiled by the Bureau of Statistics, Interstate Commerce Commission. Subject to revision.

Revision of Tobacco Rates Found Justified

The Interstate Commerce Commission, Division 3, has issued a report and order finding justified a revision of rates on unmanufactured tobacco, carload or any quantity, between points in the South and from southern points to destinations in Official Classification territory, which had been suspended until March 9. The present adjustment, the report says, "is a conglomerate of rates on various levels, principally commodity rates, entailing many maladjustments and departures from the long-and-short-haul provision of Section 4." The revision, which includes both increases and reductions, applies sixth-class rates as maxima between points in the South and fifth-class rates as maximum between points in the South and Official Classification territory.

Great Northern Group Insurance

The group insurance program of the Great Northern, established in 1923, has been revised and extended to provide triple protection for more than 8,000 employees not previously covered. Insurance is now available to the entire Great Northern personnel of 15,000 employees, and the new arrangement establishes a grand total of approximately \$15,000,000 life insurance, and \$15,000,000 accidental death and dismemberment protection. The Metropolitan Life Insurance Company, the underwriter, administers the plan on a co-operative basis whereby the employer and employees share the cost.

The individual life insurance benefits, in nearly all classes, will be either \$1,000 or \$2,500, according to occupation, with the same figures applying in the case of accidental death and dismemberment. Sickness and non-occupational accident benefits will be either \$10 a week or \$25 a week. The plan also embraces a visiting nurse service.

Freight Traffic In October

The volume of freight traffic handled by the Class I railroads in the first ten months of this year, measured in net ton-miles, showed an increase of 6 per cent above the same period in 1932, according to reports compiled by the Bureau of Railway Economics. It amounted to 229,143,362,000 net ton-miles, compared with 216,181,598,000 net ton-miles in the same period in 1932, or an increase of 12,961,764,000 net ton-miles. Compared with the same period in 1931, however, the freight traffic for the ten months was a reduction of 63,258,316,000 net ton-miles, or 21.6 per cent. In the Eastern district, freight traffic handled was an increase of 7.4 per cent compared with the same period in 1932, while the Southern district reported an increase of 6.7 per cent, and the Western district an increase of 3.8 per cent.

Freight traffic handled in October amounted to 26,411,961,000 net ton-miles, an increase of 36,974,000 net ton-miles, or 0.1 per cent, over the corresponding period in 1932, but a reduction of 4,167,245,000 net ton-miles, or 13.6 per cent, under the corresponding period in 1931. Railroads in the Eastern district in October reported a decrease of 2.5 per cent in freight handled compared with the same month in

1932, while the Southern district reported a decrease of 2.3 per cent. The Western district reported an increase of 4.6 per cent.

General Atterbury Honored

General W. W. Atterbury, president of the Pennsylvania, was the guest of honor on December 16 at the thirty-fifth annual dinner of the Pennsylvania Society of New York and was awarded the Society's gold medal for distinguished achievement. General Atterbury's address in response was, in the main, a plea for support of President Roosevelt in connection with the latter's effort to bring the country out of depression. In opening, however, General Atterbury referred to the Pennsylvania, saying that he could not but feel "that your generous tribute is in fact not so much to me personally as it is to the great railroad of which I have the honor to be president. I like to feel that that railroad is one of the greatest sources of pride to all Pennsylvanians." He then quoted some P. R. R. statistics and in this connection pointed out that of the ten men who have held the P. R. R. presidency since the organization of the company in 1847 all have been Pennsylvanians; seven were native born and the other three became citizens prior to their election.

High-Speed Transportation Discussed by Western Society of Engineers

High-speed transportation was the subject of discussion at a meeting of the Railroad section of the Western Society of Engineers at Chicago on December 18. A. Cotsworth, Jr., passenger traffic manager, and O. E. Ward, superintendent of motive power of the Chicago, Burlington & Quincy, being the speakers. The changing aspect of passenger traffic, according to Mr. Cotsworth, has necessitated the development of high-speed trains which can be operated at low cost and thus enable the carriers to meet the demands for cheaper transportation. He said that because high-speed trains are designed to accelerate and stop within short distances, they are adapted especially to local business. Mr. Ward described the mechanical features of the train being built by the Burlington and outlined the problems confronted in the development of high-speed trains. He said the designing of a satisfactory braking mechanism for these trains requires special study because of the speed and the light weight of the cars.

Railways Oppose Abolition Of Consolidated Tax Returns

Ben C. Dey, general counsel of the Southern Pacific, and Jacob Aronson, general counsel of the New York Central, testified before the House ways and means committee at Washington on December 19 in opposition to the proposal of the committee to abolish the present practice under which consolidated companies and systems are permitted to file consolidated returns under the income tax law. They appeared also for the New York, New Haven & Hartford, the Union Pacific, and other railway systems. Henry Morgenthau, acting Secretary of the Treasury had also opposed the proposal at a previous hearing. Mr. Dey pointed out that railroad systems

had not been created for the purpose of evading taxes but that the continued existence of so many separate companies within systems and the absence of physical consolidation was largely the result of the requirements of state laws and regulations. He said that last year the Southern Pacific system lacked 30,000,000 of having a taxable net income but that if it had been obliged to make separate returns for the individual companies it would have had to pay \$1,318,000 in federal income tax.

I. C. C. Examiners Find No Jurisdiction Over Express Agency Subsidiary

Examiners R. G. Taylor and Leslie H. McDaniel of the Interstate Commerce Commission have recommended in a proposed report the dismissal of a complaint filed by the American Highway Freight Association against the Railway Express Agency alleging violations of sections 2 and 6 of the interstate commerce act and section 1 of the Elkins act due to the failure of the express company to file tariffs with the commission covering the service rendered by its subsidiary the Railway Express Motor Transport in the line-haul movement of traffic by motor trucks over public highways between South Bend, Ind., Chicago, Ill., and Milwaukee, Wis., and intermediate points. The report points out that no shipper or representative of the shipping public testified in support of or against the complaint and said that upon the record the commission should be convinced that complainant through its evidence had failed to establish a violation of any of the sections named; that the operations of the Motor Transport company do not constitute a "device" within the meaning of the law, and that the service performed by it is not subject to the jurisdiction of the commission under existing law.

The commission should find, the examiners report, that it is without jurisdiction to compel the defendant express company to publish and file with it schedules of the line-haul rates of the subsidiary.

Railroads and Trucks Competing for Grand Coulee Dam Traffic

A new instance of keen competition between railroad and highway transportation has arisen in connection with the need for additional transportation to the site of the new Grand Coulee dam in Washington. Recently the Northern Pacific applied to the Interstate Commerce Commission for a certificate authorizing the construction of a 27-mile line from Odair, Wash., to the site of the dam with a condition that the line be removed after the need for it has been met and that the federal government give assurances that traffic to and from the site in connection with the construction be moved as largely as possible by rail. Now the Washington Motor Freight Association and other organizations and companies interested in motor trucking in that section have been authorized to intervene as parties to the proceedings before the commission in opposition to the application. The intervening petition asserts that the Co-ordinated Transport Company, Inc., has pending before the state department of public works an application for a certificate for the operation of freight service to the site of the dam



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crease in net if you are forced to place in service

obsolete, out-dated power. • New power is needed

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which would make unnecessary the construction of a new railroad line and that the state highway department is ready and willing to authorize the construction of proper highway facilities to supplement those now existing. It is also asserted that the Northern Pacific application would tend to create a monopoly and that the restrictions proposed with its application are "in violation of the rights of petitioners."

Plans Made For Research Study

The first meeting of the committee on railroads of the Science Advisory Board was held at the headquarters of the National Research Council in Washington, on December 18. This committee, made up of eminent scientists and leading directors of industrial research, was formed at the request of Co-ordinator Eastman to co-operate with a committee of railroad executives in an effort to determine whether the railroads are securing maximum benefits from the utilization of modern science and engineering and, if not, what should be done.

The Co-ordinator made a brief statement in regard to the objectives sought. The application of research, development, and engineering work, in industrial organizations and in railroads, was discussed in some detail, and the economic results were described by various members of the committee. It was agreed that a survey should be made by the committee of the facilities and procedures used by the railroad industry in work of this character, and that they should be compared with those of industrial organizations in which the results of research have been outstanding. The committee expects to begin this preliminary study immediately and to hold a second meeting during the month of January.

The railroad executives who attended were: General W. W. Atterbury, president, Pennsylvania; Norman Call, president, Richmond, Fredericksburg & Potomac; Charles Donnelly, president, Northern Pacific; C. E. Johnston, president, Kansas City Southern; Scott M. Loftin, receiver, Florida East Coast; and Daniel Willard, president, Baltimore & Ohio.

Tie-Up at Pennsylvania Station, New York

Fire caused by a short circuit crippled facilities at Pennsylvania station, New York, on December 18 and made necessary, for a time that afternoon, the suspension of service to and from the station, the most serious interruption being that encountered by Long Island trains. The short circuit occurred at 11:50 a. m. at the west end of Track No. 6 in Pennsylvania station and a resulting fire developed in the power plant located opposite the station in West Thirty-first street.

The fire was extinguished within an hour but meanwhile it had caused considerable damage to the electrical apparatus in the power plant, affecting the d. c. power and signal circuits in the station area and the East river tunnels used by Long Island trains. Lights in the station were extinguished for a short while and the a. c. power was affected during the

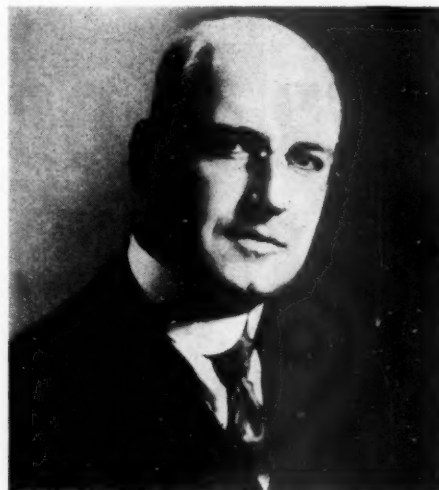
time firemen were at work. The a. c. power was restored at 1:06 p. m. and the d. c. at 4:07 p. m.

When the short circuit occurred, two Long Island trains were in the East river tunnels; from one of these passengers were led to the station while the other train was hauled back to Long Island City. Other Long Island trains were terminated at that point until 4:32 p. m. when service out of Pennsylvania station was resumed.

No Pennsylvania trains were in the North river tunnels and during the time that the a. c. power was off, three P. R. R. trains were terminated at Jersey City, N. J., while another, along with a Lehigh Valley train, was terminated at Manhattan Transfer, N. J.

C. H. Dietrich to Head Chicago Office of Freight Claim Division

C. H. Dietrich, freight claim agent for the Chicago, Milwaukee, St. Paul & Pacific, has been appointed to the newly-created position of executive vice-chairman of the Freight Claim Division, American Railway Association, with headquarters at Chicago. In his new position, which he will assume on January 1, Mr. Dietrich will have charge of the Chicago office and will represent the chairman in carrying on the division's activities throughout the



C. H. Dietrich

United States and Canada. This position was created in order to permit more efficient handling of the present duties of the division and to cope with enlarged activities incident to the "employment of a force to supervise the application of the new principles and practices for the investigation and disposition of freight claims."

Mr. Dietrich is a native of Wisconsin and entered the service of the Milwaukee road at the age of 16 years as a telegraph operator. In 1899 he was transferred to the freight claim department, being advanced to chief clerk in this department in 1907 and thence to assistant freight claim agent in 1911. He has been freight claim agent, at Chicago, since 1917.

St. Lawrence Seaway Opposed

Ratification of the Great Lakes-St. Lawrence deep waterway treaty, pending before the Senate, was opposed as "eco-

nomic suicide" in a resolution adopted by 500 delegates from twenty States attending a special conference of the Atlantic Deeper Waterways Association at Philadelphia, Pa., on December 18.

Urging the Senate to reject the treaty, the association called for an "economic survey" and registered its opposition both on "patriotic and economic" grounds.

The decision to oppose ratification was reached after attacks had been made against the project by Mayor J. Hampton Moore of Philadelphia, president of the association; Senator Dickinson of Iowa, Senator Copeland of New York and several others.

Among the objections to the treaty the following were emphasized by speakers: That 90 per cent of the new waterway route will lie in Canada; that 80 per cent of the proposed hydro-electric plants will belong to Canada; that Lake Michigan, now belonging to the United States, will be internationalized; that the United States is to advance the costs, possibly \$1,000,000,000, and that all improvements made in Canada shall be done by Canadian labor, Canadian engineers, and Canadian materials.

The treaty would favor the Canadian wheat exporter in competition with this country, it was declared, and would divert traffic from Atlantic and Gulf ports, to the injury of rail and waterway facilities and American investors.

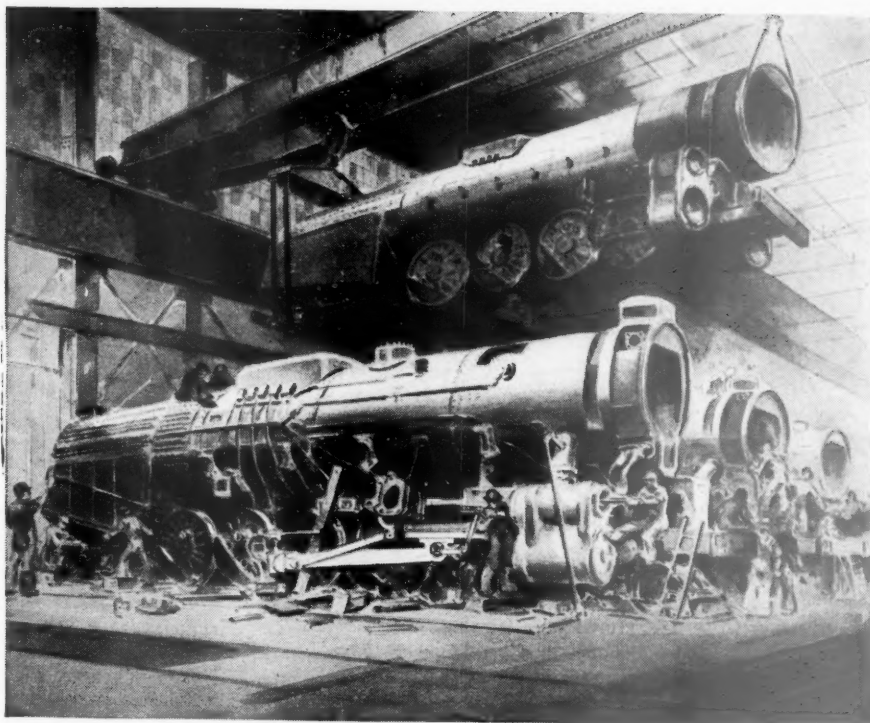
Tax Group Urges End to Transport Subsidies

Expressing the opinion that Co-ordinator Eastman's report and recommendations "will not please all interests" and the belief that the Co-ordinator would welcome suggestions from people who have no financial interest in any form of transportation, W. R. Lence, managing director of the Louisiana Taxpayers Association has written to Mr. Eastman making a strong plea, in behalf of taxpayers, against subsidies to any form of transportation whatever.

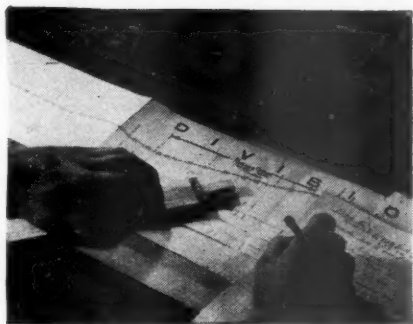
"The shipper ought to be able to foot up his freight bills and ascertain his transportation costs," the letter reads in part, "but he cannot do so now; he must take his tax bills into consideration. Transportation agencies which now receive subsidies in any form from government, national, state or sub-division, are not functioning on their merits. It is wrong fundamentally to tax all of the people to furnish cheap transportation to a few."

"Without centralized supervision, co-ordination is impossible. It would be foolish and absurd to establish a commission for each kind of transportation, and we think that one commission should have jurisdiction over all of them. Regulation ought to be fair to all. The existing device, by which one form of interstate transportation is regulated and all others operate as free lances, is a monstrosity. We believe that each kind of transportation now operating has its place, and that ample provision should be made for each to function on its merits."

"Inland waterway transportation ought to bear the expense of keeping the rivers and canals in condition for such service. Highway transportation for hire ought to



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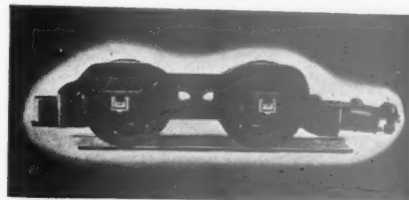


Unless new locomotives take full advantage of engineering and scientific progress during the past ten years, they are obsolete before they haul a pound of freight.

Operating conditions have changed. Speed is at a premium while train loads are lighter.

Fast, light power that is easy on track structure and low in maintenance is needed to provide the service the public has come to demand.

These new locomotives must use The Booster for power in starting and for ample power to continue to haul the train at speeds. The Booster will constitute an integral part of the design because only in this way can the desired results be attained.



FRANKLIN RAILWAY SUPPLY COMPANY, INC.

NEW YORK

CHICAGO

MONTREAL

pay its proportionate part of the cost and maintenance of the highways. Airway transportation ought to stand the cost of constructing and maintaining the airports, and railway transportation should bear all the expense of furnishing that service. As long as subsidies are paid the question of merit is left out of the picture.

"If the railroads cannot subsist on merit they have no right to exist at all, and the same is true of every other form of transportation. The shipper ought to bear the cost of transportation, not the taxpayer."

Southern's Low Fares Bring Traffic; Rate on Automobiles Cut

Indications of a substantial increase in passenger travel are seen by the Southern as its surveys results thus far achieved by the reduction in basic fares which, along with other southern roads, it inaugurated on December 1. This observation was accompanied by announcements of a further reduction in the Southern's combination charge for the transportation of passengers' automobiles in expedited freight service and of the 44 per cent reduction in round-trip fares for the Christmas holidays.

The reduction in basic fares, which the Southern is giving wide publicity in newspaper advertisements and attractive posters and handbills, brings the rate for coach travel down to 1.5 cents per mile; for travel in Pullman cars the surcharge has been eliminated and round-trip tickets with a 15-day time limit are being sold at two cents a mile and tickets with a 30-day time limit at 2.5 cents a mile. One-way tickets, valid for Pullman travel, are three cents per mile.

Automobiles of Southern passengers are now carried in expedited freight service for only one standard fare instead of two as heretofore. Under the plan the road will continue to carry two persons in its passenger service, making a total of three tickets required for each automobile shipment. Where two persons travel this makes the cost of transporting the automobile the equivalent of one passenger fare, which, the announcement states, is considerably less than the freight rate. The minimum charge for handling an automobile and two passengers is \$54 and stop-overs may be arranged at a cost of \$15 for loading and unloading the automobile at each stop-over point.

The Christmas holiday fare poster, done in three colors, shows Santa Claus astride a Southern locomotive and suggests that prospective patrons "Save for your Christmas purchases by buying round-trip tickets at bargain fares." The holiday round-trip tickets, valid for the outbound journey at any time from December 14 to January 1 and with a return limit of January 15, are being sold at a 44 per cent reduction from standard rates. There is also a 10 per cent reduction in Pullman rates, with the surcharge eliminated, in connection with these fares. The Southern anticipates that "the marked reduction in passenger fares" will bring a substantial increase in Christmas travel this year as compared with last. Its last cent-a-mile week-end excursion for this year was operated over the Thanksgiving holidays when 22,000 tickets were sold at that rate "with very satisfactory revenue results."

Equipment and Supplies

P.W.A. LOAN NEGOTIATIONS PROGRESS.
—See this article on page 882 of this issue.

LOCOMOTIVES

THE LEHIGH VALLEY has applied to the I.C.C. for permission to borrow funds from the P.W.A. to make classified repairs to 60 locomotives.

THE NEW YORK, CHICAGO & ST. LOUIS is inquiring for 15 freight locomotives of the 2-8-4 type, 5 switching locomotives of the 0-8-0 type and 20 tenders of 19,000-gal. capacity.

FREIGHT CARS

THE WABASH has applied for a loan of \$1,489,000 for the purchase of rail and for making repairs to equipment.

THE CENTRAL OF GEORGIA has been allotted \$500,000 by the P. W. A., to be used for the purchase of 200 new coal cars.

THE CHESAPEAKE & OHIO is inquiring for 4,500 hopper cars, 2,500 flat-bottom gondola cars and 800 box cars, all of 50 tons' capacity.

THE ERIE is inquiring for 125 wood-floor flat cars of 70 tons' capacity, 100 steel-frame furniture cars of 40 tons' capacity, 500 automobile cars of 40 tons' capacity, 2,500 hopper cars of 50 tons' capacity and 500 box cars of 50 tons' capacity.

THE NEW YORK, CHICAGO & ST. LOUIS is inquiring for 500 box cars of 50 tons' capacity, 500 low-side drop-end gondola cars of 50 tons' capacity, 175 stock cars of 40 tons' capacity and 25 flat cars of 50 tons' capacity.

THE LEHIGH VALLEY has applied to the I.C.C., for permission to borrow funds from the P.W.A. to make heavy repairs to 1,000 coal cars and for the rebuilding of 1,000 box cars. This company was recently allotted \$2,000,000 by the P.W.A. with which to rebuild equipment.

BOSTON & MAINE.—A loan of \$5,500,000 is to be made to this road by the P. W. A., of which \$1,100,000 is to be used for locomotive, freight car and passenger coach repairs, and the balance to be spent on maintenance of roadbed and tracks and possibly for some new equipment.

PASSENGER CARS

THE ERIE is inquiring for 75 all steel suburban coaches, 50 all steel semi-suburban and through coaches and 8 all steel combination baggage and mail cars.

THE ESCANABA & LAKE SUPERIOR has purchased from Fairbanks Morse and Company a pneumatic-tired rail bus for use in transporting mail and passengers over its line. The bus, which was built to E.

& L. S. specifications, consists of a Dodge chassis, equipped with Goodyear Tire & Rubber Company pneumatic rail tires and is of the type described in the *Railway Age* of September 16, page 847. The bus was on exhibition in Union station, Milwaukee, Wis., on December 22.

IRON AND STEEL

THE DELAWARE & HUDSON has placed orders for 5,000 tons of 131-lb. rail and 3,000 tons of fastenings.

THE SOUTHERN PACIFIC has ordered 220 tons of structural steel for a subway at McConnel, Cal., from the McClintic-Marshall Corporation.

THE LOUISVILLE & NASHVILLE has ordered 17,500 tons of 100-lb. rails from the Tennessee Coal, Iron & Railroad Company.

THE MISSOURI PACIFIC has ordered 1,050 tons of structural steel for a bridge at Snow Lake, Ark., from the Stupp Brothers Bridge & Iron Company.

THE RICHMOND, FREDERICKSBURG & POTOMAC has placed an order for 500 tons of rails with the Bethlehem Steel Company; the necessary rail joints were ordered from The Rail Joint Company.

THE DELAWARE, LACKAWANNA & WESTERN has ordered 11,000 tons of 131-lb. rail from the Lackawanna Steel Company and 1,000 tons of 131-lb. rail from the Carnegie Steel Company.

NEW YORK CENTRAL.—A contract has been let to the American Bridge Company for 12,000 tons of steel to be used in grade crossing elimination work at Syracuse, N. Y. The steel was let through the Walsh Construction Company to whom the construction work has been awarded.

THE PENNSYLVANIA, supplementing its recent award of contracts for 100,000 tons of new steel rails, has announced that further contracts have been made for approximately 51,000 tons of angle bars, tie plates and spikes necessary to lay this amount of rail and for general maintenance. This material, including the new rail, which is to be delivered on or before July 1, 1934, represent an expenditure of slightly over \$6,000,000.

MISCELLANEOUS

THE NATIONAL RAILWAYS OF MEXICO has placed an order with the Locomotive Firebox Company for nine sets of syphons to be applied to existing Consolidated, Pacific and Mikado-type locomotives.

THE PENNSYLVANIA has placed an order with the Frigidaire Corporation amounting to \$500,000 for material necessary to air-condition coaches and dining cars to be placed in service next summer. The equipment consisting of coils, condensers, etc., will be turned over to the Pennsylvania as soon as it is ready, and the installation will be made in the Altoona shops of the railroad. See item in *Railway Age* of December 16, page 865.

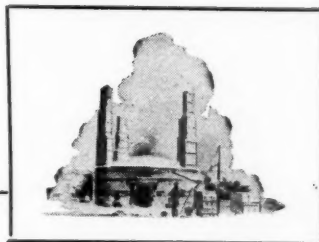
GOOD BRICK

is the

START

of an

EFFICIENT ARCH



Twenty-five years of experience is guarantee of the competency of American Arch Company to design and service Locomotive Arches. The following list of brick plants supplying the railroads exclusively thru American Arch Company is guarantee of a reliable Arch Brick supply. They were selected because of their exceptional clay deposits and advantageous locations:

**HARBISON-WALKER
REFRACTORIES CO.**
Pennsylvania Ohio Kentucky
Alabama Missouri

**NORTH AMERICAN
REFRACTORIES CO.**
Pennsylvania Kentucky

IRONTON FIRE BRICK CO.
Ohio

**DENVER SEWER PIPE
& CLAY CO.**
Colorado

ATHENS BRICK & TILE CO.
Texas

MOULDING-BROWNELL CORP.
Ohio

GLADDING-McBEAN & CO.
California
Washington

DIAMOND FIRE BRICK CO.
Colorado

**DOMINION FIRE BRICK &
CLAY PRODUCTS LTD.**
Saskatchewan, Canada

CANADA FIRE BRICK CO., LTD.
Ontario, Canada—Quebec, Canada



*There's More to
SECURITY ARCHES
Than Just Brick*



AMERICAN ARCH COMPANY

INCORPORATED

Locomotive Combustion Specialists

NEW YORK

CHICAGO

Supply Trade

Joseph T. Ryerson & Son, Inc., Chicago, has commenced work on an extensive addition to its St. Louis, Mo., steel service plant.

The Pittsburgh Plate Glass Company, Pittsburgh, Pa., is building an addition to its Duplate plant at Creighton, Pa. The addition will consist of a three-story wing of steel concrete and brick construction.

Addis E. McKinstry, first vice-president of the **International Harvester Company**, Chicago, at a special meeting of the board of directors recently, was elected president of that company to succeed Alexander Legge, deceased.

The American Society for Testing Materials has moved its headquarters from the Engineers' Club building, 1315 Spruce street, Philadelphia, Pa., to the Atlantic building, 260 South Broad street in the same city.

F. R. Faulk, 50 Penn avenue, Pittsburgh, Pa., has been appointed district sales representative of the **Universal Power Corporation**, Cleveland, Ohio, and the **Welding Equipment & Supply Company**, 2720 East Grand boulevard, Detroit, Mich., has been appointed Detroit distributor for the same corporation.

W. A. Nugent has been appointed sales manager of the **Independent Pneumatic Tool Company**, Chicago. Mr. Nugent, formerly district manager of the Chicago territory, has been with the company 19 years and during this period has served as St. Louis, Mo., branch manager, as assistant to the president and in other similar capacities. He assumed his new duties on December 1 and was placed in active charge of all pneumatic and electric tool sales.

B. C. Hooper, formerly sales manager of the Industrial Truck division of the **Baker-Raulang Company**, Cleveland, Ohio, has been placed in charge of this company's Chicago sales office. For many years Mr. Hooper acted as dealer for the Baker-Raulang Company in St. Paul, Minn.; he was then transferred to the Cleveland factory as special railroad representative, and in 1929 was made sales manager. **W. F. Hebard**, formerly of the W. F. Hebard Company, who represented the Baker-Raulang Company for many years in Chicago, is associated with Mr. Hooper and will continue to handle their railroad activities.

Codes for Locomotive and Appliance Industries Before N. R. A.

Proposed codes of fair competition submitted to the National Recovery Administration covering several additional important branches of the railway supply and equipment industry have now reached the stage of public hearings, following the usual procedure of protracted conferences with N. R. A. officials on the codes as originally submitted. A hearing on the code proposed by the **Stoker Manufacturers' Association** was held on December 15 before Division Administrator Mal-

colm Muir; that on the code for the Association of Manufacturers of Chilled Car Wheels was held on December 20 before Deputy Administrator H. O. King, and a hearing on the codes proposed for 27 industries associated with the Machinery and Allied Products Institute, including the locomotive manufacturing industry, the small locomotive manufacturing industry, the railway and industrial spring industry, the steel tire industry, and the railway appliance industry has been set for December 21 before Deputy Administrator King. The hearing on the code submitted by the **Railway Car Institute** has been set for December 27 before Mr. King.

Alfred E. Smith (New York Times, 10/14/33)

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OBITUARY

H. S. Hoskinson, Ocean Grove, N. J., died recently. Mr. Hoskinson, formerly, about 1927, was secretary of the **Dressel Railway Lamp & Signal Company**, Arlington, N. J., which is now the **Lovell-Dressel Company**. Previous to his service with the signal company, Mr. Hoskinson had been in railway service.

A. A. Stevenson Dies

Archibald Alston Stevenson, one of the pioneering leaders in the iron and steel industry, and formerly vice-president of the **Standard Steel Works Company**, died at his home in Ardmore, Pa., on December 15, after an illness of several months. The immediate cause of his death was pneumonia. Mr. Stevenson's entire life was spent in the iron and steel industry, and he was directly connected with many of its technical and engineering advances.

He was born on April 10, 1862, at Allegheny, Pa., and was educated in the schools of Pittsburgh, Rock Island, Ill., and the University of Illinois. From 1881 to 1886 he was a draftsman at the **Southwark Foundry & Machine Co.**, Philadelphia, Pa., then became affiliated with the **Cambria Iron & Steel Co.** at Johnstown, Pa. There he worked with John Coffin on experiments with the Coffin toughened axles and forgings, and early in 1887 designed the furnace and equipment for their commercial treatment. This was one of the first uses of heat treatment on a large commercial scale in the United States.

On August 1, 1888, he entered the employ of the **Standard Steel Works Co.**, Burnham, Pa., and was with this company until his retirement in July, 1929. He served successively as traveling engineer, manager of wheel department, engineer, assistant superintendent, superintendent, and vice-president. From 1920 to 1929 he was in charge of manufacturing operations.

Mr. Stevenson took an active part in the work of several engineering societies and clubs. He was a past-president (1916) and an honorary member (1927) of the **American Society for Testing Materials**, and was a member of its Executive committee from 1911 to 1920. He was the first chairman of its committee on Steel Wheels and Tires, serving in that capacity for 25 years.

He was one of the A. S. T. M. representatives who, in 1916, with the representatives of the four Founder Societies (A. S. C. E., A. S. M. E., A. I. M. E., A. I. E. E.) instituted work which resulted in 1918 in the organization of the **American Engineering Standards Committee**, now the **American Standards Association**. Mr. Stevenson was very active in the work of this body and served as chairman in 1920 and 1921.

Mr. Stevenson was a member of the **American Society of Mechanical Engineers**, **American Institute of Mining & Metallurgical Engineers**, **American Iron & Steel Institute**, and **American Society for Steel Treating** and a past-president of the **Association of American Steel Manufacturers**.

Death of Two Westinghouse Executives

Herbert Thacker Herr, vice-president of the **Westinghouse Electric & Manufacturing Company**, died after a short illness at his home in Philadelphia, Pa., on December 19, the same day on which another Westinghouse executive—Arthur A. Brown, assistant to vice-president—died at his home in Mount Vernon, N. Y.

Mr. Herr was born on March 19, 1876, at Denver, Colo., and was graduated from the **Sheffield Scientific School** in 1899, winning the prize in mathematics and receiving the degree of bachelor of philosophy. Pre-



Herbert Thacker Herr

vious to entering college he had acquired some commercial and mechanical experience as a machinist's apprentice on the **Chicago & North Western**. After his graduation he served two years as machinist and draftsman on the **Denver & Rio Grande** (now part of the **Denver & Rio Grande Western**) and acted also as chairman of a committee to revise the operating rules of that road. In 1902 he served as master mechanic on the **Chicago Great Western**, then on the **Atchison, Topeka & Santa Fe**, and later as general master mechanic of the Eastern division of the **Norfolk &**

MERRY CHRISTMAS

AMERICAN LOCOMOTIVE COMPANY



30 CHURCH STREET NEW YORK N.Y.

HAPPY NEW YEAR

Western. He returned later to the Denver & Rio Grande as assistant to the vice-president, becoming general superintendent in 1906. Soon afterwards he retired from railroad work and in 1908, he went to Pittsburgh, Pa., as general manager of the Westinghouse Machine Company. Shortly thereafter, he was promoted to second vice-president and general manager, and in 1913, became first vice-president and general manager. When this company was merged in 1917 with the Westinghouse Electric & Manufacturing Company he became vice-president of the latter and continued in that capacity until the time of his death, with headquarters at the South Philadelphia (Pa.) works. Mr. Herr invented various improvements in the design and construction of turbines, oil and gas engines and various ingenious air brake devices. He was a member of a number of technical societies, including the American Institute of Mining Engineers, the American Society of Mechanical Engineers, the American Society of Naval Engineers, the Society of Naval Architects and Marine Engineers, the Society of Automatic Engineers, and the American Railway Guild.

Arthur A. Brown, for more than 30 years had been identified with the electrical manufacturing industry. He was born on January 4, 1873, at Three Creeks, Ark. After leaving the University of Illinois, where he majored in mechanical engineering, he went, in 1900 with the Bethlehem Steel Company. Two years later he became general superintendent of the Richus Company, Norwich, Conn. In



Underwood & Underwood

Arthur A. Brown

1903, he was appointed general manager of the Rarig Engineering Company, and the following year joined the sales force of the Westinghouse Machine Company at Pittsburgh, Pa. He later was transferred to the Cincinnati office, returning two years later to Pittsburgh to the sales department of Westinghouse, Church, Kerr Company. Later he joined the Westinghouse Electric & Manufacturing Company as a salesman at New York, and soon after was made manager of its syndicate operations, and there was promoted to assistant vice-president. Mr. Brown was a member of a number of technical societies and clubs, including the American Institute of Electrical Engineers.

Construction

CHICAGO & NORTH WESTERN.—Two contracts for the reconstruction of highway subways to provide for wider roadways have been awarded to the Strobel Construction Company, Chicago. One of the projects involves the installation of a 68-ft. through plate-girder span on concrete abutments to replace a 34-ft. deck plate-girder structure on U. S. Highway 41 near Milwaukee, Wis., at a cost of about \$46,000. The other contract calls for the installation of a 59-ft. through plate-girder structure on concrete abutments to replace a 30-ft. deck plate-girder span at a crossing north of West Allis, Wis., at a cost of \$39,000. Bids have been received by the Iowa State Highway Commission for the construction of a subway to carry U. S. Highway 64 under the tracks of the North Western near Colo, Iowa. This structure will consist of three I-beam spans, one of 30 ft. 4 in. and two of 29 ft. 6 in. All of the foregoing projects are being financed entirely by funds allocated to the states by the federal government for the construction of highways.

CITY OF ST. LOUIS.—The city of St. Louis, Mo., has filed a number of applications for grants of money from the Public Works Administration to help finance various grade crossing elimination projects within the city. A grant of \$325,000 has been asked to help finance projects totaling \$1,570,000, as follows: A viaduct to carry Fyler avenue over the tracks of the St. Louis-San Francisco, cost \$535,000; a viaduct to carry Gravois avenue over the Missouri Pacific tracks, cost \$430,000; an underpass to carry Sarah street under the tracks of the Wabash; and a viaduct to carry Bircher street over the tracks of the Terminal Railroad Association, cost \$245,000. The city's share of the cost of the foregoing projects will be \$854,000, while the railroads will be asked to contribute \$390,000. The city has also asked the Public Works Administration for \$127,540 to help finance the elimination of grade crossings on the Wabash between Union and Delmar boulevards, cost \$616,400; for \$111,120 for the construction of an underpass under the Missouri Pacific at Kingshighway, cost \$556,300; and for \$86,700 for the construction of a viaduct to carry Hampton avenue over the Missouri Pacific, the Frisco, the River Des Peres and Manchester avenue, cost \$363,700.

DELAWARE, LACKAWANNA & WESTERN.—This road has been ordered by the New York Public Service Commission to submit by January 15 detailed plans and an estimate of cost, for the elimination of its East Bethany grade crossing in the town of Bethany, Genesee county, N. Y. This project was reported in the *Railway Age* of November 11, page 708.

DENVER PACIFIC.—The Interstate Commerce Commission, Division 4, has denied this company's application for a certificate authorizing the construction of a line from Denver, Colo., to Los Angeles, Calif., stating that there is no evidence in support of its estimates of cost or ex-

pected traffic and earnings, that the "applicant's principal witness, a retired trainman, did not appear at the hearing," and that "the sole witness was a civil and mining engineer, who has been tentatively retained by the applicant, without remuneration, for about six months, and admits little study of or familiarity with the project." He is said to have stated that "the only survey of the proposed route was made by airplane, and admitted, also, that the indicated mileage of the proposed line is less than the air-line distance between the termini, and that, because of physical barriers, construction of a line along the route proposed is impossible."

ERIE.—The elimination of the Pike street crossing of this road in Port Jervis, Orange county, N. Y., has been directed by the New York Public Service Commission. The estimated cost of the work is between \$500,000 and \$582,000; of this about \$225,000 would be for construction and \$275,000 for land. There are 14 tracks of the railroad at this crossing.

LOUISVILLE & NASHVILLE.—A contract has been awarded to C. I. Shields, Birmingham, Ala., for taking up two spur tracks in the vicinity of Birmingham, totalling eight miles in length.

NEW YORK CENTRAL.—A contract amounting to \$4,000,000 has been given to the Walsh Construction Company for grade crossing elimination work at Syracuse, N. Y. The work involves the construction of 26 bridges.

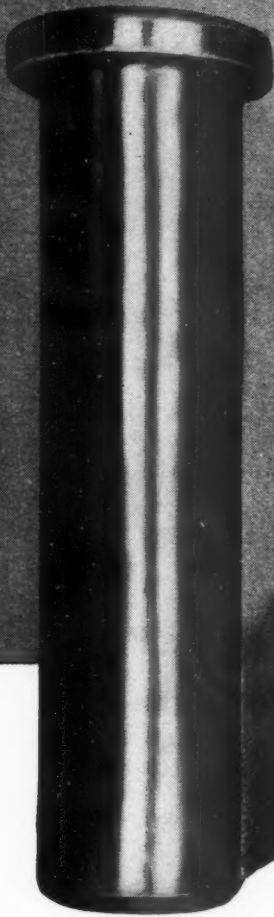
NEW YORK CENTRAL.—Proceedings for the elimination of eight railroad grade crossings in and near the village of Weedsport, Cayuga county, N. Y., have been reopened by the New York Public Service Commission. The commission had previously directed the elimination of these crossings by relocating the railroad, as was reported in the *Railway Age* of October 21, page 577.

PENNSYLVANIA.—The New York Public Service Commission has approved as not excessive a bid of \$437,411 submitted by the Ferguson & Edmondson Company, Pittsburgh, Pa., for the elimination of the Wilson road crossing of this railroad in the town of Aurora, N. Y. and in various streets in the village of East Aurora together with the extension of Girard avenue in East Aurora, Erie county, N. Y. The railroad proposes to award the contract to the above bidder and work is to be started as soon as practicable.

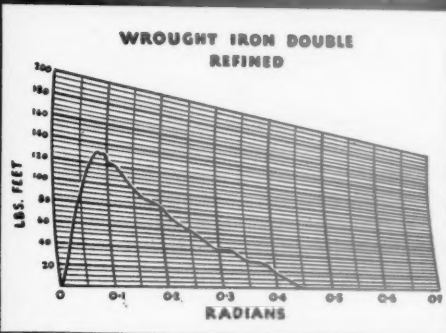
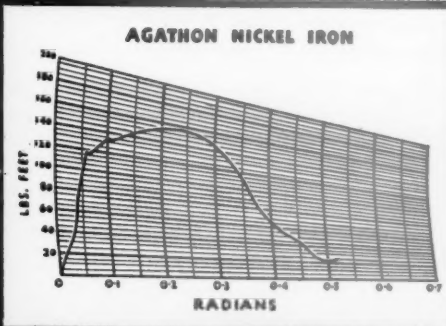
NOVEMBER SHIPMENTS of railroad locomotives from the principal manufacturing plants in the United States totaled two locomotives as compared with none in October and eight in November, 1932, according to reports received by the Bureau of Census, United States Department of Commerce. Unfilled orders at the end of November totaled 82 locomotives (77 electric and five steam) as compared with 78 (77 electric and one steam) at the end of November, 1932. These figures do not include data on locomotives built by railroads in their own shops.

Continued on next left-hand page

ARE YOUR PINS TOUGH



OR BRITTLE ?



How well equipped are your spring and brake rigging

pins to withstand sudden shocks and extreme loads? « « « Such pins, of course, have a hard surface to resist wear. But underneath this surface they should be tough, not brittle.

« « « Agathon Nickel Iron has a reputation for toughness. Observe the test illustrated above and note the toughness of the Agathon Nickel Iron under repeated hammer blows.

« « « This modern alloy iron is ideal for all case-hardened work. There are no slag spots or seams, and warping is almost negligible. Grinding is unnecessary and the finished cost with Agathon Nickel Iron is lower. Use it for all case-hardened pins and bushings.

Toncan Iron Boiler Tubes, Pipe, Plates, Culverts, Rivets, Tender Plates and Firebox Sheets • Sheets and Strip for special railroad purposes • Agathon Alloy Steels for Locomotive Parts • Agathon Engine Bolt Steel • Agathon Iron for pins and bushings • Agathon Staybolt Iron • Climax Steel Staybolts • Upson Bolts and Nuts • Track Material, Maney Guard Rail Assemblies • Enduro Stainless Steel for dining car equipment, for refrigeration cars and for firebox sheets • Agathon Nickel Forging Steel.

CENTRAL ALLOY DIVISION, MASSILLON, OHIO

REPUBLIC STEEL
C O R P O R A T I O N
GENERAL OFFICES YOUNGSTOWN, OHIO



Financial

ATCHISON, TOPEKA & SANTA FE.—Abandonment.—This company has applied to the Interstate Commerce Commission for authority to abandon the line between Swastika, N. M., and Brilliant, 3.5 miles.

ATCHISON, TOPEKA & SANTA FE.—Abandonment.—The Interstate Commerce Commission has authorized this company and the California, Arizona & Santa Fe to abandon a line extending from Kramer, Calif., to Johannesburg, 27.8 miles.

CALIFORNIA, SHASTA & EASTERN.—R. F. C. Loan.—This company has applied to the Reconstruction Finance Corporation for a loan of \$300,000 for the rehabilitation of its line.

CHICAGO & NORTH WESTERN.—Loan Extension Asked.—This company has applied to the Reconstruction Finance Corporation and the Interstate Commerce Commission for an extension for three years of loans from the R. F. C. aggregating \$16,498,933 maturing in 1934.

CHICAGO, INDIANAPOLIS & LOUISVILLE.—R. F. C. Loan.—This company has applied to the Reconstruction Finance Corporation for a loan of \$500,000 to pay interest charges.

DELAWARE & HUDSON.—Notes.—The Interstate Commerce Commission has authorized this company to issue and re-issue from time to time \$12,500,000 of promissory notes to bear interest of not more than 6 per cent.

DENVER, INTERMOUNTAIN & SUMMIT.—Certificate to Acquire Lines Denied.—The Interstate Commerce Commission has denied the application of this company for authority to acquire and operate narrow gage lines of the Colorado & Southern extending from a point in Denver, Colo., to Leadville, having a route mileage with branches of 215.7. The Commission has likewise denied the application of the Denver, Leadville & Alma for authority to acquire and operate these lines. Denial was based on the fact that the Commission was not satisfied as to the ability of either applicant to keep the lines in operation.

EAST TEXAS & GULF.—Abandonment.—This company has applied to the Interstate Commerce Commission for authority to abandon its line between Hyatt, Tex., and Wurtsbaugh, 9.6 miles.

ILLINOIS CENTRAL.—Abandonment.—The Interstate Commerce Commission has authorized the Gulf & Ship Island to abandon that portion of its line extending from Columbia, Miss., to Maxie, 48 miles.

ILLINOIS CENTRAL.—R. F. C. Loan.—This company has applied to the Reconstruction Finance Corporation for an additional loan of \$15,000,000, including \$10,000,000 to pay half of the principal of an issue of \$20,000,000 of three-year 4½ per cent notes maturing June 1, 1934, and \$5,000,000 to pay maturing equipment trust

obligations and interest. It is proposed to offer the note-holders 50 per cent of the amount and to extend the maturity date of the remaining 50 per cent. The company has also applied to the commission for approval of a loan of \$10,000,000 from the Public Works Administration for rails, fastenings, equipment repairs, and reconstruction of bridges. It had previously borrowed \$6,363,000 from the R. F. C. Application was also filed for authority to issue \$35,000,000 of equipment mortgage bonds of 1933 to be used as collateral for loans from the R. F. C. and the P. W. A.

ILLINOIS CENTRAL.—Abandonment.—The Interstate Commerce Commission has authorized the Baton Rouge, Hammond & Eastern and the Yazoo & Mississippi Valley, lessee, to abandon a part of the line of the former company extending from Hammond, La., to Covington, 20.9 miles. The latter company has also been authorized to abandon operation under trackage rights over the New Orleans Great Northern in Covington, 1.5 miles.

LOUISVILLE & NASHVILLE.—Abandonment.—The Interstate Commerce Commission has authorized this company to abandon a portion of a branch line extending from Fort Estill, Ky., to Lancaster, 24 miles. The Commission has also authorized this company to abandon a line extending from Iron City, Tenn., to Pinkney, 11.7 miles.

MERIDIAN & BIGBEE RIVER VALLEY.—R. F. C. Loan.—The trustees have applied to the Interstate Commerce Commission for authority to issue \$744,252 of trustees' certificates as collateral for a loan from the Reconstruction Finance Corporation.

MISSOURI-KANSAS-TEXAS.—I. C. C. Determines Compensation for Kansas City Terminal.—The Interstate Commerce Commission has issued a report, by Commissioner McManamy, accompanied by findings as to the basis of the compensation to be paid by this company for the use of the terminals of the Kansas City Terminal at Kansas City, Mo.-Kan., after July 1, 1929, and as to the period from April 1, 1924, to June 30, 1929. No order as to the latter is issued for the present but the parties will be accorded an opportunity to arrange for an adjustment.

MISSOURI PACIFIC.—Interest.—Trustees have been authorized by Federal Judge Davis of St. Louis to pay the semi-annual rental of \$41,604 and the annual principal of \$693,400 due January 15, 1934 on equipment trust notes, Series 41. A second order of the court sanctioned the payment of \$64,325 semi-annual interest due January 1, 1934, on second mortgage bonds of the Pacific Railroad Company of Missouri, a subsidiary.

ST. LOUIS SOUTHWESTERN.—Control of Subsidiary.—The Interstate Commerce Commission has authorized the St. Louis Southwestern of Texas to acquire control of the Stephenville North & South Texas by a supplemental lease extending the existing lease one year from July 1, 1933, with the proviso that the lease may be

modified to exclude any portion of the line of the latter company which may be abandoned.

SOUTHERN PACIFIC.—Acquisition.—This company has applied to the Interstate Commerce Commission for authority to acquire the property of the Phoenix & Eastern, of which it now owns the stock.

SOUTHERN PACIFIC.—Abandonment.—This company has applied to the Interstate Commerce Commission for authority to abandon the Patagonia branch, 46.7 miles, in Cochise and Santa Cruz counties, Ariz.

SOUTHERN PACIFIC.—Abandonment.—The Interstate Commerce Commission has authorized this company and the Burro Mountain R. R. (lessee) to abandon the line of the latter company as to interstate and foreign commerce between Burro Mountain Junction, N. M., and Tyrone, 13.1 miles.

TALLULAH FALLS.—Abandonment.—The Interstate Commerce Commission has authorized this company to abandon its entire line extending from a connection with the Southern at Cornelia, Ga., to Franklin, N. C., 57.1 miles. The entire capital stock of the company is owned by the Southern.

TEMISKAMING & NORTHERN ONTARIO.—Annual Report.—Net revenue of \$624,645 and net income of \$32,538 after capital charges were met, were reported in a statement of the Temiskaming & Northern Ontario which is owned and operated by the government of Ontario, covering the railway's operations for the fiscal year ending October 31. Gross revenues in 1933 were \$3,238,224 compared with \$3,916,605 in the preceding year. Operating expenses were reduced by \$521,793 and the operating ratio was 78.5 compared with 78.2 in 1932.

WABASH.—Final Valuation As of 1919.—The Interstate Commerce Commission has issued a final valuation report as of 1919 finding the final value for rate-making purposes of the property owned and used for common-carrier purposes to be \$111,655,000.

Average Prices of Stocks and of Bonds

	Dec. 19	Last week	Last year
Average price of 20 representative railway stocks..	38.50	40.64	23.82
Average price of 20 representative railway bonds..	66.96	67.84	56.56

Dividends Declared

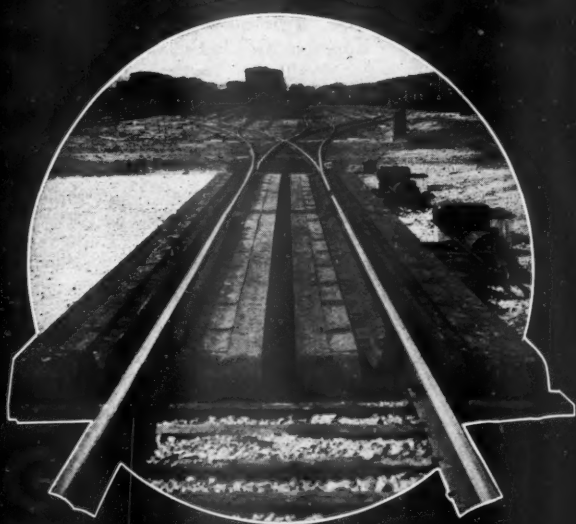
Allegheny & Western.—\$3.00, payable January 1 to holders of record December 20.
 Canada Southern.—\$1.50, semi-annually, payable February 1 to holders of record December 29.
 Cayuga & Susquehanna.—\$1.20, semi-annually, payable January 2 to holders of record December 20.
 Joliet & Chicago.—Guaranteed, \$1.75, payable January 2 to holders of record December 20.
 New London & Northern.—\$2.25, quarterly, payable January 2 to holders of record December 15.
 Mahoning Coal.—Common, \$6.25, quarterly, payable February 1 to holders of record January 19; Preferred, \$1.25, semi-annually, payable January 2 to holders of record December 22.
 Norwich & Worcester.—8 Per Cent Preferred, \$2.00, quarterly, payable January 2 to holders of record December 15.
 Pittsburgh & Lake Erie.—\$1.25, semi-annually, payable February 1 to holders of record December 29.

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DAYLIGHT SPEED *for the*

MIDNIGHT TRICK

The ability to receive and classify cars when and as offered . . . day or night . . . under any climatic condition through "Union" Electro-Pneumatic Car Retarder equipped yards, has resulted in an economic speeding up of traffic. Even on the basis of the reduced traffic handled since "Union" Retarders were placed in service in many yards, the installations have resulted in savings over other forms of operation. The "Union" Retarder is a facility that will pay its way under abnormally low traffic conditions and earn a most lucrative return in normal times. Provide for it in next year's budget.



1881

Union Switch & Signal Co.

1933

SWISSVALE, PA.

NEW YORK

MONTREAL

CHICAGO

ST. LOUIS

SAN FRANCISCO

Railway Officers

EXECUTIVE

George J. Ray, who has been appointed vice-president and general manager of the Delaware, Lackawanna & Western, with headquarters at New York, succeeding Edwin M. Rine, as reported in the *Railway Age* of December 16, was born at Metamora, Ill., on March 24, 1876. He was graduated from the University of Illinois in 1898 with the degree of bachelor of science and in 1910 received the degree of civil engineer from the same university. In 1916 the honorary degree of doctor of science was conferred upon him by Lafayette University. He began his railroad career in May, 1898, as chairman on



George J. Ray

the Illinois Central, subsequently serving consecutively as rodman, inspector, instrumentman and assistant engineer. From March, 1901 to March, 1902, Mr. Ray was supervisor of track, then for one year he served as roadmaster for the same road. In 1903 he entered the service of the Delaware, Lackawanna & Western as division engineer at Scranton, Pa. From September, 1908, to January, 1909, he served with T. Burke, railroad contractor, at Scranton, Pa., returning to the service of the Lackawanna on the latter date as chief engineer. Mr. Ray served as engineering assistant to the regional director of the Eastern region for two years during the period of federal control, then resuming his position as chief engineer for the Lackawanna, the position he held at the time of his recent promotion.

TRAFFIC

J. F. Griffiths, commercial agent for the Kansas City Southern and the Texasarkana & Ft. Smith, at Oklahoma City, Okla., has been promoted to general agent at Tulsa, Okla., to succeed **J. B. Blanton**, who has resigned.

SPECIAL

F. A. Coile has been appointed personnel officer of the Southern, with headquarters at Washington, D. C.

PURCHASES AND STORES

F. I. Plechner, purchasing agent of the Great Northern at St. Paul, Minn., has been granted a leave of absence, effective January 1, 1934, and **A. H. Lillengren**, assistant purchasing agent at the same point, has been appointed acting purchasing agent.

OBITUARY

Frank P. Ryan, assistant general passenger agent on the Illinois Central at Chicago, died at his home in that city on December 18, at the age of 45 years.

J. I. Morrison, who retired as comptroller of the Lehigh Valley in 1931, died on November 23. He was born on December 14, 1859, and entered railroad service with the Kansas City, Fort Scott & Memphis in 1886. In 1898 he went with the Kansas City Southern where he remained until 1903 when he became auditor of disbursements of the Lehigh Valley. From 1908 to 1930, except during the period of federal control, he was general auditor, being advanced in the latter year to the comptrollership.

Edward R. Darlow, retired president of the Buffalo & Susquehanna, died on December 18 at the Buffalo General hospital after a short illness. Mr. Darlow was born in England on November 13, 1851. He came to this country in 1873 and entered railroad service with the Paris & Decatur (now a part of the Pennsylvania). From 1875 to 1905, Mr. Darlow served consecutively with the Terre Haute & Indianapolis (now a part of the P. R. R.), as chief clerk in the general manager's office, assistant superintendent, assistant secretary, and assistant receiver. He entered the service of the Buffalo & Susquehanna in 1910 as assistant receiver and after the road was reorganized in 1913 he was elected president of the road, in which capacity he served until 1932, at which time the Buffalo & Susquehanna was absorbed by the Baltimore & Ohio and Mr. Darlow retired from active service.

Herbert Bertermann, general passenger agent of the Cleveland, Cincinnati, Chicago & St. Louis, with headquarters at Cincinnati, Ohio, died suddenly on December 14 at St. Louis, Mo. Mr. Bertermann was born at Indianapolis, Ind., 52 years ago and entered railway service on November 15, 1897, with the Lake Erie & Western (now part of the New York, Chicago & St. Louis). Five years later he was appointed traveling passenger agent and in 1904 he was made district passenger agent at Indianapolis. In April, 1906, Mr. Bertermann went with the Big Four as a traveling passenger agent at the same point, being appointed general agent, passenger department, at Peoria, Ill., in 1907. Later he served in the same capacity at Louisville, Ky., and at Columbus, Ohio, being appointed assistant general passenger agent at Cincinnati in 1916. He held the latter position until his appointment as general passenger agent in 1929.

George E. Tebbetts, engineer of structures for the Chicago Rapid Transit Company, and formerly bridge engineer of the Kansas City Terminal, died on December 13 at St. Luke's hospital, Chicago. Mr. Tebbetts was born on March 6, 1877, at Chicago and graduated in civil engineering from the University of Illinois. In June, 1899, he first entered railway service as a rodman on the Chicago Junction, leaving this company in November of the same year to engage in other work. He returned to railway service in 1902 as a draftsman in the bridge department of the Chicago, Milwaukee, St. Paul & Pacific, resigning in the following year to go with Fairbanks, Morse & Co., as a designer. After serving in a similar capacity with the Link Belt Company, Mr. Tebbetts entered the bridge department of the Chicago, Burlington & Quincy in 1904, subsequently being advanced to office engineer in the bridge department. Six years later he became bridge engineer of the Kansas City Terminal which position he held until 1918, then serving successively with the Emergency Fleet Corporation, the York Shipbuilding Corporation, Stone & Webster, Inc., the Roberts & Schaefer Co. and the Detroit Graphite Company. In 1923 he was appointed general supervisor of bridges and buildings of the Chesapeake & Ohio at Richmond, Va., holding this position until 1925 when he went with the Chicago Rapid Transit Company as engineer of structures.

Harry E. Rouse, formerly general storekeeper of the Chicago & Alton (now the Alton) and also of the Chicago Great Western, died on November 27 of blood poisoning at Washington, D. C. At the time of his death Mr. Rouse was connected with the accounting department of the travel audit section of the Federal Emergency Administration of Public Works, having received an appointment to this department on November 15. He was born on August 7, 1868, in Kentucky, and entered railway service in March, 1887, as a clerk on the Cincinnati, New Orleans & Texas Pacific (now part of the Southern), later serving as division storekeeper and chief clerk to the master mechanic at Chattanooga, Tenn. In February, 1900, he went with the Chicago & Alton, subsequently being advanced to general storekeeper. From November, 1909, to December 31, 1916, Mr. Rouse was general storekeeper of the Chicago Great Western at Oelwein, Iowa, then going with the Steel & Tube Company of America as assistant purchasing agent at Chicago. From January 1, 1921, to September, 1924, he served as general inspector, Division of Liquidation Claims, United States Railroad Administration, at Washington. Next Mr. Rouse went with the Seaboard-All Florida (now part of the Seaboard Air Line) as a construction accountant and chief clerk to the engineer of construction, later serving in a similar capacity with the Seaboard Air Line. In June, 1928, he became connected with the Cincinnati Union Terminal and following the completion of this project he was appointed to the staff of the Federal Emergency Administration of Public Works at Washington.